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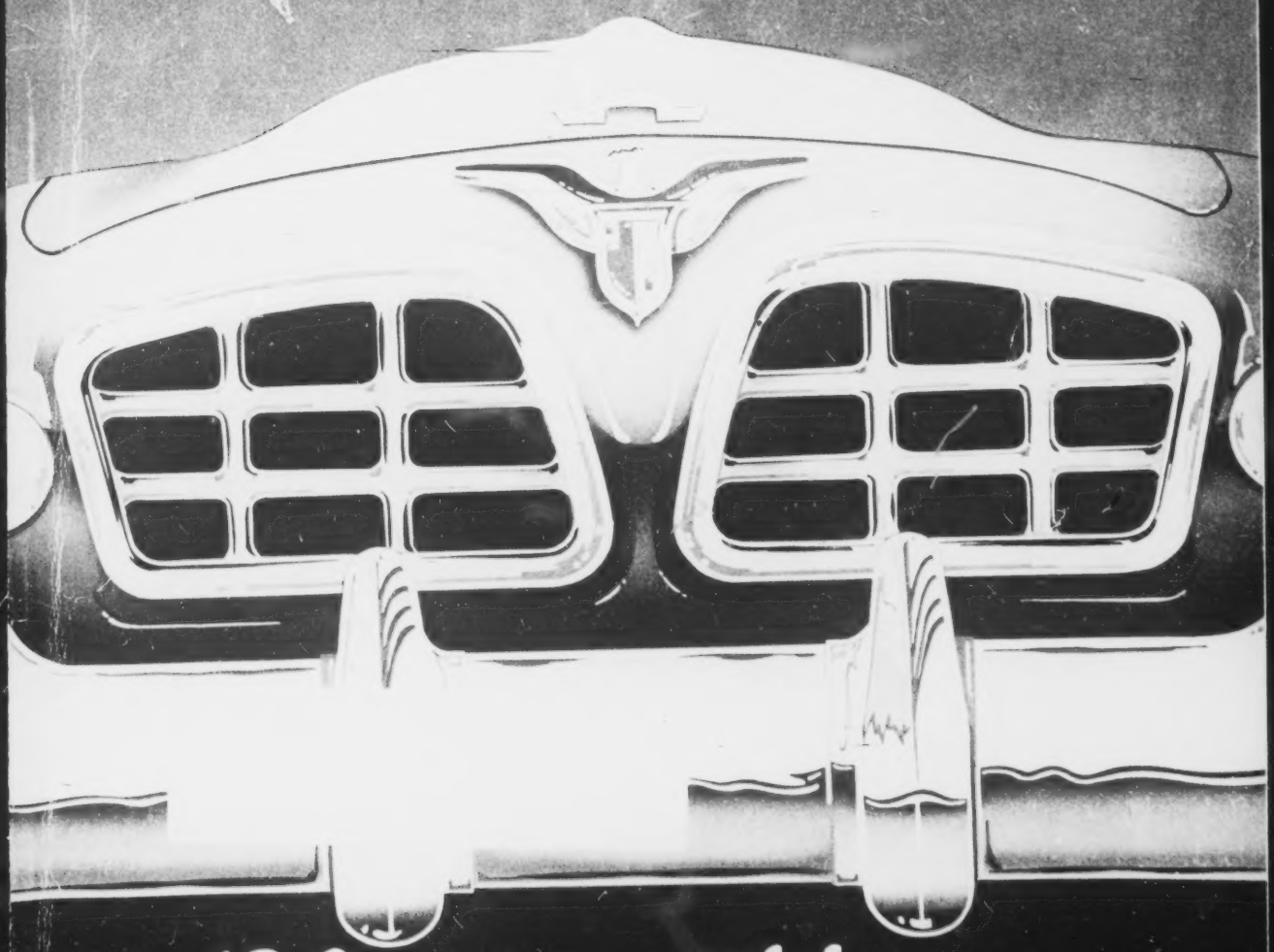
JobberTopics®

AN IRVING-CLOUD PUBLICATION Serving Wholesale Distribution in the Automotive Aftermarket for Sixty-Seven Years



'89 Annual Issue

Including Buyer's Guide

JULY 1989 • VOL. 136 NO. 6

JobberTopics

for automotive jobbers, warehouse distributors and their salesmen

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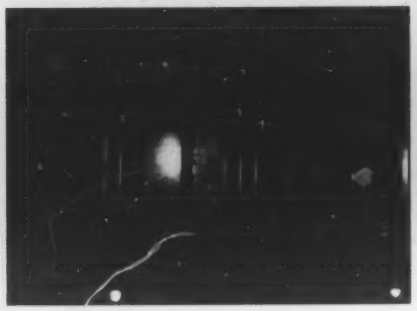

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Atlantic to the Pacific:
Traditional Aftermarket Holding its Own!

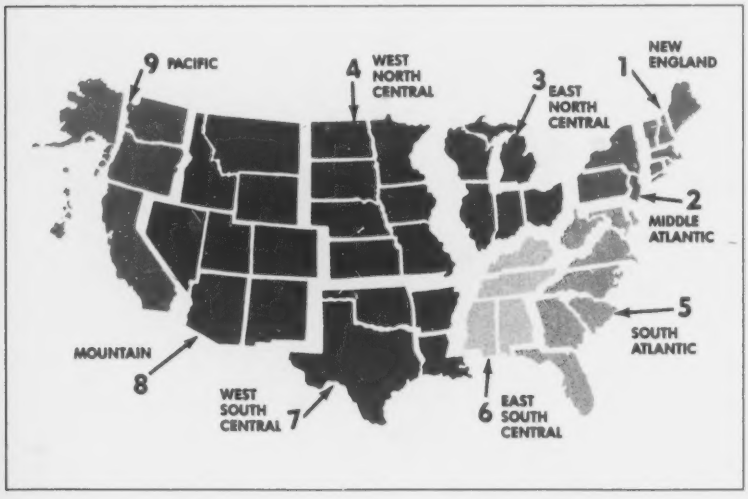
Reporting a fairly stable national marketplace, our survey respondents note that parts for imports and machine shop work are among 1989's biggest sales volume gainers...

By JOSEPH PETKUS
Research Editor

From a national perspective, 1988 was an excellent year for automotive parts jobbers and a substantial improvement over 1987, according to our previous annual "How's Business?" roundup survey. Our most recent findings indicate that 1989 sales volume countrywide is tallying closely to last year's figure.

Over 380 jobbers representing a national cross section of the industry responded to this year's "How's Business?" roundup. Each month, JOBBER TOPICS polls a sampling of our readers on sales and collections, but once a year we ask additional questions for more details about their performance. To implement the annual study, our questionnaires encourage comments from the jobbers as well.

Upon receipt, the respondents' questionnaires are divided into regional groups—conforming to the nine regions established by the U.S. Bureau of the Census—to provide a more-detailed picture of local conditions. Once again, the jobbers' comments were particularly helpful in adding their insights to our annual study—and what they wrote sheds light especially on their area's marketplace.



From the regions

Characterizing the strong sales climate on the West Coast (Region 9), a California jobber commented, "With the growth in this area, sales will only go up." Indeed, this year's "How's Business?" numbers generally reflect regional population growth trends of recent years.

A notable exception to that rule is the Farm Belt (Region 4). Even after last year's devastating drought, Region 4's sales figures are surprisingly strong.

Just as sales are of critical interest to every aftermarket business, so they are to JOBBER TOPICS. Accordingly, we asked our survey panelists to compare dollar sales, unit sales, import car parts sales, machine shop sales, PB&E sales and high performance sales for the first three months of 1989 with those of the same quarter last year. Our questionnaire also inquired about how things stand with respect to three other basic matters: cash position, local markets and collections.

The survey shows that *sales of parts for import cars are greater than last year in each of the nine reporting regions.* Overall, 34.1 percent of the respondents reported increased import car parts sales and 55.9 percent noted no change, while only 10.0 percent reported a decline.

With bright prospects everywhere, the percentage of survey respondents reporting increased sales of import car parts ranges by region from a high of 57.5 percent to a low of 20.8 percent. The current year's volume of parts for imports has been reported as strong even in New England (Region 1) where overall dollar volume and units-sold averages, compared to our last survey, show a decline. Forty percent of the Region 1 jobbers report sales of import car parts are higher than a year ago, with another 40 percent noting no change. Also bucking its regional trend, New England's machine shop sales appear to be very stable.

(Continued)

For example, 80 percent of Region 1 respondents noted no change in 1989 first-quarter machine shop sales, compared to the volume for the first three months of last year. Nationally, machine shop figures reveal much more of a spread—with an accent on the positive side. Over 27 percent of our responding panelists noted that their shop sales were up, while 52.7 percent replied they were the same. According to 20.1 percent, shop volume is down this year.

A stable 1989

Compared to the first quarter of 1988, current total dollar sales figures show a still greater spread among the jobbers polled. Yet the 1989 numbers' very level plus-and-minus balance points to a stable marketplace overall. Of this year's respondents, 20.3 percent reported that dollar sales are unchanged, while 40.1 percent replied that they are up and 39.6 percent noted they are down.

In last year's "How's Business?" roundup, *JT* noted, "Although televised news coverage these days tends to relate everything to the coming national elections, politicians—and their proliferation of hoopla—do not seem to be hindering our jobber panelists' current unit sales and dollar sales figures, both of which are notably higher than last year's. Interestingly, while 1988 sales percentages closely resemble those of the previous national election year, collections and cash position as currently reported look much better than the 1984 statistics.

"In fact, taken as a whole, the present data are the best in this decade and comparisons to the 1987 numbers suggest a turnaround in the industry within the past 12 months. The current survey shows an improvement in all nine reporting regions. Jobbers in general have been doing so much better that, since last year, figures for improved dollar sales have risen by over 50 percent in seven of the nine reporting regions!

"Furthermore, the national (All Regions) figure for improved dollar sales is higher than that of 1987 by approximately 82 percent. Currently, 59.7 percent of all survey respondents noted that dollar sales are up over a year ago, while only 32.8 percent of those responding to our previous survey reported rising dollar sales."

Just as last year's numbers compared most closely to those reported shortly before presidential elections, 1989's figures tend to follow a post-election year pattern. Generally considered a hindrance, Washington's impact on the marketplace through bureaucratic regulations was also the subject of several comments from current survey respon-

Import Car Parts Sales

First Three Months of 1989 Compared with First Three of 1988

	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6	Reg. 7	Reg. 8	Reg. 9	All Regions
Up	40.0%	26.9%	29.7%	20.8%	34.0%	40.0%	35.1%	37.5%	57.5%	34.1%
Down	20.0	21.2	7.8	3.7	14.0	14.3	8.1	0.0	0.0	10.0
Same	40.0	51.9	62.5	75.5	52.0	45.7	56.8	62.5	42.5	55.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Paint, Body & Equipment Sales

Up	18.8	16.2	30.5	19.2	10.3	18.5	11.8	28.6	9.1	18.3
Down	25.0	21.6	15.3	23.4	17.9	7.4	29.4	14.3	12.1	18.6
Same	56.2	62.2	54.2	57.4	71.8	74.1	58.8	57.1	78.8	63.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

High Performance Parts Sales

First Three Months of 1989 Compared with First Three of 1988

	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6	Reg. 7	Reg. 8	Reg. 9	All Regions
Up	20.0%	10.8%	19.3%	10.4%	7.1%	7.1%	6.1%	14.3%	11.4%	11.7%
Down	33.3	21.6	15.8	12.5	31.0	14.3	30.3	14.3	11.4	19.7
Same	46.7	67.6	64.9	77.1	61.9	78.6	63.6	71.4	77.2	68.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Machine Shop Sales

Up	6.7	19.0	45.5	38.5	23.7	24.0	12.5	28.6	19.4	27.2
Down	13.3	23.9	25.4	15.3	21.1	32.0	16.7	21.4	6.4	20.1
Same	80.0	57.1	29.1	46.2	55.2	44.0	70.8	50.0	74.2	52.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

dents. Particularly noteworthy are how present "How's Business?" statistics compare to previous studies from the same point in the four-year political cycle. Reviewing our annual roundups during the last two administrations also highlights the relative stability of today's business climate.

Inflation worried economists more than anything else, when Jimmy Carter stepped into the White House—and with excellent reason. Although a good year on paper, 1977 really established what was later identified as an inflationary boom temporarily masking a very weak economy. Aftermarket businesses generally prospered for the time being, but a sad day of reckoning followed for many of them in 1978 and 1979. Even worse for others, 1980 started the decade off with a fizzle.

Unit sales figures for 1981, however, were comparable to those reported by jobbers this year, although the previous dollar sales numbers looked much better *primarily because of a 13.5 percent inflation rate in 1980!* By 1985 interest rates had fallen to a level of normality—according to present international banking standards, anyway—and both dollar sales and unit sales percentages reported at that time bear a closer resemblance to those of the current study than any other.

Underlying strengths

In 1985, 25.2 percent of the respondents reported that unit sales were up and 37.1 percent said they were down; 36.4 percent noted dollar sales were up (compared to 40.1 percent this year) and 42.4 replied that they were down (39.6 percent in 1989). Current figures also suggest that unit sales are relatively stronger than when George Bush became Vice President for the second time. Now, 32.7 percent of our panelists report that unit sales are up, while 38.2 percent note they are down.

Cash position and collections statistics likewise confirm the significance of the four-year cycle. In 1985, for example, 13.2 percent of the respondents noted that collections were up, while 27.2 percent replied that they were down. An extraordinarily close match, today's figures are 12.9 percent and 28.9 percent respectively.

In 1985, there was a wider spread in sales performance among regions than there was in 1984. The same is true in 1989 relative to last year. While every region reported improved dollar sales 12 months ago, only Regions 4, 8 and 9 did so according to our current survey. Horace Greeley, wherever he is, should feel completely vindicated: present statistics show substantial sales growth mostly west of the Mississippi River. This year's roundup also shows

(Continued)

Dollar Sales

First Three Months of 1989 Compared with First Three of 1988

	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6	Reg. 7	Reg. 8	Reg. 9	All Regions
Up	21.7%	31.5%	38.5%	45.8%	30.2%	37.1%	35.9%	70.6%	64.1%	40.1%
Down	65.2	57.4	43.0	30.5	45.3	37.1	41.0	11.7	12.8	39.6
Same	13.1	11.1	18.5	23.7	24.5	25.8	23.1	17.7	23.1	20.3
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Unit Sales

Up	17.4	27.7	27.4	31.4	24.5	31.3	27.0	70.6	58.3	32.7
Down	65.2	61.7	41.9	23.5	39.6	37.4	21.1	11.7	16.7	38.2
Same	17.4	10.6	30.7	45.1	35.9	31.3	51.9	17.7	25.0	29.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Collections

First Three Months of 1989 Compared with First Three of 1988

	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	Reg. 6	Reg. 7	Reg. 8	Reg. 9	All Regions
Up	13.6%	11.3%	15.6%	13.8%	13.7%	8.6%	2.3%	12.5%	24.3%	13.1%
Down	50.0	35.9	23.5	12.1	39.2	17.1	38.5	12.5	27.0	28.0
Same	36.4	52.8	60.9	74.1	47.1	74.3	58.9	75.0	48.7	58.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Cash Position

Up	19.1	19.2	27.3	12.3	23.5	21.2	18.0	47.1	47.2	24.2
Down	38.0	48.1	31.8	21.0	33.4	36.4	28.1	11.7	13.9	30.4
Same	42.9	32.7	40.9	66.7	43.1	42.4	53.9	41.2	38.9	45.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

that overall dollar sales in Region 6 are virtually unchanged since 1988.

Once again, we asked our panelists whose volume had increased to specify the class of trade that contributed most to their sales growth. Current replies compared to those of last year suggest an underlying stability in the market.

Over 40 percent of our current respondents with higher sales cited garages and shops as the market segment providing the most sales growth (compared to 42.8 percent so reporting in 1988). Next came DIY business, according to 19.7 percent (as opposed to 26.4 percent in 1988), and service stations, according to 10.5 percent (10.4 percent in 1988).

The traditional aftermarket overall? Holding its own nicely—and following the best year in the decade, that's not bad at all!

Region 1—New England (CT, ME, MA, NH, RI, VT). Comparing this year's first quarter sales figures to past performance, 1987 and 1988 percentages from New England looked better. Not everyone fits the general pattern, however.

"Outlook is very good," a jobber from Maine noted. "First quarter is a little soft. Look for a super summer." In contrast to the region's 1989 overall sales figures, substantial growth in import car part volume along with stability in the other three product categories polled suggests that the optimistic jobber from Maine probably knows something about market research. New England jobbers also had a hard time at the beginning of President Reagan's second term, but they really bounced back in 1986.

Region 2—Middle Atlantic (NJ, NY, PA). Comments from this region focus on competition and price-conscious consumers. According to a spunky Pennsylvanian, "Mass merchandisers with inferior rebuilt parts are also affecting our business. Granted, they do sell some brand names, but at prices—and rebates—we cannot touch. I refuse to join them. As long as I can keep my head above water, I will stay in this business. The turnaround is coming and those who maintain a good quality operation will survive." Like their neighbors to the northeast, Middle Atlantic jobbers are reporting increased import car parts volume and fairly stable PB&E, high performance and machine shop sales.

Region 3—East North Central (IL, IN, MI, OH, WI). Statistics from Region 3 indicate, among other things, the first stage of a resurgence in the high performance market. Furthermore, import car parts, PB&E and machine shop sales are all doing quite well. Cash position and collections, along with dollar sales and unit sales, suggest that profit margins are generally steady or rising near the Great Lakes.

Current unit sales and dollar sales figures for Region 3 are much better than those from New England and the Middle Atlantic states. Last year, *JT* reported, "Generally doing very well in 1988, jobbers from this region take second place in improved dollar sales and unit sales. Cash position and collection figures for Region 3 are also better than national norms." Those figures are down from last year, but not enough to spell big trouble—especially since 1988 was a record-breaking year.

Region 4—West North Central (IA, KS, MN, MO, NE, ND, SD). Unit sales and dollar sales figures have shown improvement this year as well as last. Machine shop sales are generally doing very well. Cash position and collections are fairly stable. Only two other regions are reporting better numbers overall than the Farm Belt. One Region 4 respondent commented that it was really hard to explain why business is so good.

Perhaps some foreboding has also been revealed by the jobber from Iowa who wrote, "Fear of continued drought is holding back spending. This is an agricultural area."

Pray for rain!

Region 5—South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV). This region is having a fine year for import part sales, according to current survey statistics. Cash position, unit sales and collection figures are somewhat weaker than the national norms, however. Comparatively low dollar volume percentages also suggest rising price competition.

Overall, the South Atlantic seems to be doing better than New England and the Middle Atlantic states. Coupled with the data from other regions,

current Region 5 figures indicate a business trend favoring the Sun Belt and the West.

Machine shop, PB&E and high performance sales in the South Atlantic are evidently stable relative to last year.

Region 6—East South Central (AL, KY, MS, TN). Apparently, less change here since 1988 than in any other region. Does that mean performance is "flat"?

Well, according to our last "How's Business?" roundup, "Good unit sales and strong cash position distinguish Region 6. While 46.7 percent of the East South Central jobbers (slightly ahead of the All Regions average) state that their cash position is better than it was a year ago, only a scant 3.3 percent had to report that it was worse—far lower than the national norm of 15.1 percent. Current dollar sales figures, however, fall a little below par, but they are remarkably better than the 1987 percentages for this region.

"Last year," we continued to say in our last roundup, "only 30.0 percent of the Region 6 jobbers reported that sales were up (compared to 53.1 percent in 1988) and 40.0 percent admitted they were down (only 12.5 percent in 1988). Collection figures have also improved; last year 30 percent of the East South Central jobbers noted that collections were down, but now the percentage is 9.4. In downside collections, this region shows the second-best performance of any in 1988—quite a turnaround, since it ranked second from the bottom twelve months ago."

Maybe it depends on what you mean by "flat."

Region 7—West South Central (AR, LA, OK, TX). Unit sales are evidently up in the Oil Patch this year and that is very good news—even though dollar sales may be lagging a bit behind.

No doubt, problems persist in Region 7, but jobbers there tend to be philosophical about them. For example, a Texan wrote, "Providing Congress doesn't load us down with more taxes and insurance, we are very optimistic about 1989."

Increasingly, the impact of government regulation on the business climate is being called into question by jobbers. According to one from Oklahoma, "EPA regulations have effectively destroyed our wholesale battery business by making junk lead hazardous waste and by the elimination of dry charge production in the USA."

The current survey also indicates a sharp rise in import part sales since last year in Region 7.

Region 8—Mountain (AZ, CO, ID, MT, NV, NM, UT, WY). The best reports for 1989 sales, collections and cash position come from this region. Over 70 percent of the respondents from Region 8 reported an increase in dollar sales since last year, and 70 percent also replied that unit sales were up. Only 11.7 percent noted that cash position was worse than in 1988, while 47.1 percent cited an improvement.

What about last year? Enough to tempt a saint to envy, our 1988 report reads as follows, "With the best cash position and good marks for dollar sales and unit sales, the Mountain jobbers as a group are evidently moving to higher ground for the second year in a row. In 1987, *JT* reported, 'In dollar and unit sales, Region 8 was clearly the one that left the others in a cloud of dust. Survey tabulations showed that 69.2 percent had dollar sales that were up. That left only 30.8 percent whose sales were down and no one whose sales were the same. In unit sales the corresponding figures were 58.3 percent, 33.3 percent and 8.4 percent.'"

Region 9—Pacific (AK, CA, HI, OR, WA). In second place for dollar and unit sales, the West Coast jobbers fell just slightly below their Mountain neighbors in collections and cash position.

Not every report from Region 9 was encouraging, however. For example a jobber from Washington wrote, "We are in a growing area, more competition moving in than people."

According to another jobber, "We are in a depressed area of California." An important point to remember when evaluating any region is size, and there are always communities which somehow manage to escape the prosperity—or poverty—surrounding them. Furthermore, some of the nine reporting regions cover nearly a half million square miles and others even more than that.

If there is a region which can be called consistently prosperous for automotive parts jobbers, the last several "How's Business?" roundups indicate that it should be the West Coast. Top spot for dollar and unit sales went to Region 9 in 1988 and third place in 1987.

Forum Reports Reveal How Jobbers Size Up Their Market

Presenting the industry's news and defining it mean two different things. During the past year, JT's Forum panelists have shown that they thoroughly understand the difference and why it affects their future business...

By JOSEPH PETKUS
Research Editor

Every year JOBBER TOPICS asks thousands of people hundreds of questions. Each of our editors participates in this process in order to inform our readers about critical industry issues as comprehensively as we can. To maintain a balanced perspective on the aftermarket, *JT* pioneered the use of survey questionnaires sent to jobbers across the country.

Since 1948, 271 Forum surveys have been conducted with as much care as possible to present a nationally representative picture of the issue in question. Last year at this time, JOBBER TOPICS presented a summary of six Forum Reports published during the preceding twelve months. The July 1988 article also revealed new information arising from a comparison of data gathered in each of those studies. Since that time, we have conducted additional surveys on such subjects as machine shop parts and labor sales, credit and collections, and the import car parts market.

We also conducted studies on the equipment and tool markets and asked our panelists to describe their business operations—and themselves personally—overall. Our January 1989 Forum Report, "What Is an 'Average' Jobber?," updated an earlier study on the same subject and presented the current business insights of our reader panelists to their peers. The jobbers' responses clarified a number of industry issues, and some respondents had questions of their own. For example, a jobber from Ohio wrote, "Many in our industry say, 'Service and knowledge is the salvation of the jobber.' But how many customers, retail or wholesale, are willing to pay even a fraction of what the service is worth?"

In the same study, *JT* noted, "Over 350 automotive parts jobbers representing a national cross section of the industry took part in this survey. For reporting purposes, our Forum panelists' questionnaires were divided into three groups, based on annual sales volume, as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000), and Group 3 ($750,000 and over). Current statistics indicate that the typical jobber is most likely to be found in our medium dollar volume category, which includes firms with annual sales ranging from $350,000 to $750,000.

"Almost all of this survey's respondents are top executives of their firms, which range from one- or two-man single-store operations to those with 65 branches and hundreds of employees. These executives range in age from 22 to 84 and average 51 years old. They have been active in the aftermarket anywhere from one to 74 years, on the average about 32 years. Starting as children helping around their fathers' stores, many of them grew up in the industry and now maintain the family tradition. Over 47 percent of our panelists attended college, and 90 percent are married and have, typically, two children . . .

"Describing the current marketplace, a large jobber from New England wrote, 'The automotive business has changed very much with fewer services being offered by the independent shops. Stringent EPA standards and lengthy warranties and technical changes are eliminating many of the services of the smaller garages. These have been our traditional strengths in the past. New methods are needed on our end in order to survive and flourish.'

Who needs the EPA?

"Especially in recent years, our panelists have been saying in various ways that the road to survival must follow the path of technology, no matter how difficult. For example, a California jobber comments, 'Paint has become a bigger, but more complicated part of our business. It means more volume, but the environmental problems arising out of this part of our operation

Where Jobbers Purchase

What percent of your total purchases comes from warehouse distributors and manufacturers direct?

	(Average percents)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
From WDs	86.8	79.4	64.0	74.9
From mfrs. direct	13.2	20.6	36.0	25.1
	100.0	100.0	100.0	100.0

are staggering. We see more people returning to the complete parts store to buy the parts that mass merchants don't have or can't find. I feel that if the parts jobber keeps on his toes and becomes a professional in the marketplace he will prosper in the future.'"

Another Californian, who responded to our June 1989 Forum survey on machine shops, wrote, "After 59 years of doing complete machine shop services, I closed the engine and head portion of my machine shop due to the EPA and the fire marshall in our town. Constant problems with these agencies were not worth the hassle."

As JOBBER TOPICS noted in the same Forum Report, "Among the trials that jobbers operating machine shops face, proper staffing certainly evokes the most comment. In our last several Forum Reports on machine shop sales, nothing has been discussed in more detail than the personnel issue. Some of our current panelists' comments on hiring problems and labor costs are also interesting for other reasons.

"For example, 'Our shop has made something of a turnaround in last few years, some of which was due to higher earnings by the shop people,' a large Illinois jobber pointed out. 'We started to update our equipment about three years ago and have done a good job in that we can produce at a much faster rate now. We are, however, looking for new equipment that will retain the fast rate as well as our quality and the look of the finished product. Capital and the current trend in interest rates may put most of this on hold for some time.'

"Another jobber wrote, 'We are now preparing to open a new full shop. We previously operated a shop for 25 years, but keeping a good, quality machinist became impossible. We have since taken in a partner who is a machinist and has a staff as well so we have invested in modern but not state-of-the-art equipment. Hopefully, we can fill the gap for a jobber-retailer-machine shop that exists in the New York city marketplace.' . . .

"To staff their increasingly sophisticated shop operations, our respondents employ an average of 2.5 full-time personnel, usually compensated by straight salary. Incentive programs based on a percentage of labor sales as well as yearly bonuses and commissions on parts sales are also common practices. For shop labor, our panelists currently charge their customers an average of $27.00 per hour—up slightly from $25.00 hourly in 1986.

"While the median markup on shop labor has remained constant at 100 percent through this decade, according to current Forum statistics the average percent of markup has dropped noticeably since 1986 among all three sales volume groups. Current averages for Group 1 and Group 2 are now 80.8 percent (compared to 82.3 percent in 1986) and 84.1 percent (down from 96.7 percent) respectively. Group 3 jobbers currently report an average markup of 107.6 percent, compared to 115.4 percent in our previous survey. The logical conclusion is that increased employee compensation and equipment outlays have brought about a reduction in profit margins for some."

Profit comparisons

Other *JT* research recently confirmed that profit margins are better on some of the jobber's product lines than others. For example, as our April 1989 Forum Report pointed out, "Although a number of jobbers responding to this survey commented about price competition, only 12.7 percent of the Forum panelists replied that handling items for import cars was less profitable than comparable domestic lines. Profitability for the imports is said to be favorable, according 25.4 percent, and about the same, according to 55.6 percent of our respondents.

"To maintain and advance their position in the import replacement parts market, 46.0 percent of the jobbers reported that they merchandise their lines through direct selling. Over 25 percent of the survey respondents advertise to increase their sales; 16.7 percent use special catalogs; 11.1 percent, direct mail; and 10.3 percent service clinics. Technical bulletins and sales clinics are also used as merchandising techniques, according to 7.9 percent of our panelists."

Technical training in the jobber's marketplace, as our September 1988 Forum Report on tools and equipment revealed, is becoming more critical than ever. A large-volume jobber from North Dakota commented, "Training is our most urgently needed service for our customers. We train our customers more than any of our competitors, but it's not enough. The right tools and equipment help a mechanic use his training, but first we need the training. Training is a never-ending process, and our customers have an inexhaustible appetite for more knowledge."

According to the same study, "Some of our technically minded respondents commented on the urgency and benefits of training, and 46.6 percent of the

(Continued)

Types of Shop Jobs Jobbers Perform

Which of the following operations do you perform in your own shop?

	(Percent total respondents)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Drum & rotor machining	67.1	61.8	71.6	67.0
Bearing press work	58.8	55.9	79.4	62.1
Cylinder head work	44.7	38.2	67.6	50.2
Flywheel machining	37.7	39.7	63.5	46.7
Magnetic particle inspection	30.6	29.4	60.8	40.1
Complete engine rebuilding	32.9	35.3	51.4	39.6
Electrical unit testing & repair	41.2	30.9	36.5	36.6
Crankshaft grinding & welding	14.1	16.2	28.4	19.4
Driveline construction	18.8	13.2	24.3	19.4
Engine component balancing	7.1	10.3	12.2	9.7
Other	11.8	17.6	27.0	18.5
	*	*	*	*

*Totals over 100 percent due to multiple mentions.

panelists conduct clinics for their equipment customers. Ironically, only 15.2 percent do so annually or more often, despite widespread recognition of the impact of sophisticated design technology upon their marketplace. Still, the jobbers' commitment to the equipment marketplace shows up in several other ways. For example, 14.3 percent of all respondents maintain an equipment repair/service department.

Jobber financiers

"In addition, 30.5 percent of all respondents note that an average 47.0 percent of their equipment sales are sold on time payments and 33.3 percent say they currently carry their own paper or have done so in the past. This last figure has risen since 1984, when 30.8 percent of our respondents reported that they financed at least some of their equipment customers. Leasing has grown more popular as well; 14.3 percent of our panelists now report that they lease equipment to customers—almost twice the percentage who reported doing so according to our previous survey."

Our November 1988 survey on receivables noted, "Without doubt, today's automotive parts jobber is also a financier, as he has been for many years. It is clear as well that his credit and collections expertise—of which many of those responding to *JT*'s fifth Forum study of the jobber's accounts receivable are justifiably proud—shows further signs of improvement.

"Current statistics show, for example, that bad debt loss amounted to an average 1.0 percent of gross sales for 1987, down from the 1.1 percent average of 1986. Last year's figure also compares favorably to those of our previous Forum Report on receivables and collections, which showed an average write-off of 1.2 percent for 1981 and 1982. Furthermore, today's jobbers set a higher standard of collection performance for themselves than they did before. Respondents to this survey feel that a good collection requires taking in an average 86.5 percent of the month's receivables. According to our previous study, an average of 84.0 percent constituted good collections for the month, in the panelists' estimation.

"Today's figures for slow payment are another matter, however. Based on the replies of automotive parts jobbers across the country from communities of all sizes, our current Forum survey also indicates that the deadbeat factor is somewhat on the rise. For instance, in 1983 our Forum panelists reported an average of 4.2 percent of their accounts waited for more than 90 days before paying. Now, an average of 5.9 percent of their customers' bills are taken care of only after three months . . . Among all size groups, jobbers are apparently waiting a little longer for more of their customers' checks.

"In 1983, the Group 1 jobbers averaged 2.7 percent of their receivables in the over-90-day category, but the present average for Group 1 is 4.1 percent. On the average, Group 2 and Group 3 jobbers waited more than three months for 3.5 and 5.5 percent of their accounts due, respectively, according to our previous study. Today, the medium-sized jobbers wait that long for 6.2 percent, and the large jobbers for 6.1 percent of their customers' payments . . .

Traditional accounts

"Historically, some types of accounts pay better than others, and once again honors for promptest payment go to new car and truck dealers. Next in line came garages and repair shops, followed by service stations. Poorest pay? Well, 28.4 percent noted garages and repair shops and 18.1 percent said paint and body shops were the worst offenders. As a general practice, 52.8 percent of our panelists permit an account to remain uncollected for six months, before legal action is taken. About half of them (48.8 percent) put an account on COD, when it is 60 days past due."

Of course, our panelists are more than bill collectors and, as our January Forum pointed out, "today's automotive jobber is likely to remain many

Full Lines for Import Cars

In which of the following categories do you carry inventory for import cars?

FULL LINE	(Percent total respondents) Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Filters (air, oil, fuel)	59.4	68.4	78.6	70.6
Ignition system (inc., spark plugs, etc.)	56.3	71.1	76.8	69.8
Brake system	34.4	50.0	66.1	53.2
Electrical system (inc. electrical units, batteries, etc.)	34.4	52.6	64.3	53.2
Fuel system	12.5	23.7	33.9	25.4
Cooling system	28.1	47.4	53.6	44.4
Exhaust system (inc. mufflers, pipes, etc.)	9.4	23.1	42.9	27.8
Steering, suspension system (inc. shocks, etc.)	9.4	29.0	42.9	30.2
Engine parts	9.4	23.7	28.6	22.2
Drive system	12.5	23.7	35.7	26.2
Accessories (add-on items)	0.0	2.6	5.3	3.2

*Totals over 100 percent due to multiple mentions

Two Thirds Tightened Credit

Have you tightened your credit policies this year?

	(Percent total respondents) Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Yes	56.5	69.8	63.9	64.5
No	34.8	30.2	32.8	32.3
No answer	8.7	0.0	3.3	3.2
	100.0	100.0	100.0	100.0

What Tools, Equipment Jobbers Sell

Which of the following do you sell?

(Percent total respondents)

	All Groups		All Groups
Tools, hand (non-power)	91.4	Tools (specialty)	64.8
Brake service tools and equipment	85.7	Electronic systems testers	63.8
Tools, portable power	81.9	Steering, suspension, wheel and tire equipment	62.9
Electrical, ignition and lighting test equipment	81.9	Service station equipment	61.9
Air conditioner service tools and equipment	76.2	Fuel system service equipment and testers	57.1
Engine repair equipment	76.2	Air compressors and dryers	55.2
Cooling system service equipment and testers	74.3	Transmission and drive system service tools and equipment	43.8
Parts cleaning equipment	69.5	Exhaust system tools, benders and equipment	42.9
Paint, body tools and equipment	66.7	Machine shop equipment	33.3

*Totals over 100 percent due to multiple mentions

things to many people. Not only is he the WD's primary customer, but an important account also for some manufacturers, from whom he typically purchases about 25 percent of his inventory. He is usually a financier to his wholesale accounts, as well—much more than he would like to be according to last November's Forum Report on credit and collection practices. Typically, he is likewise the employer of 10 people including himself.

"Just about all our panelists employ full-time countermen and over half employ either full-time or part-time outside salesmen. Outside sales, like counter sales, are frequently a shared responsibility; many full-time countermen make outside sales calls and jobbers often spend some of their time tending the counter and calling on dealer accounts. Emphasizing their service commitment, some jobbers also have taken an aggressive approach to 'telemarketing'—or telephone sales as they are sometimes called.

Retail business

"Similarly, the growth of retailing in the jobber's store is the result of his ability not only to provide an extra measure of service but also his response to competitive pressures over the years. The benefits of DIY business to the average jobber's gross profit have led him to adopt retail advertising and promotional programs. To maintain a competitive position against mass merchandisers, auto parts chains and discount houses—such outlets that initially eroded the jobber's historically safe marketplace—he has cut prices on fast-moving lines of quality merchandise and trained his countermen to handle the do-it-yourselfer more professionally."

As a panelist from Illinois, who responded to last November's survey, commented, "I am a small jobber and find that I have no need for customer credit. Most sales are to DIYers and they always ante up cash or a draft at time of purchase. Thirty years ago, I worked for a small jobber with a machine shop and an undue amount of time was consumed calling customers and mailing past-due notices. Now after 29 years on my own, I find that 'decorating the mahogany'—with money on the counter—is the way to go. Customers stay away and buy elsewhere if they owe you. You lose all the way around."

At the same time, another Midwestern jobber wrote, "In order to maintain good collections, we have arranged weekly pay systems for customers who have trouble with larger monthly accounts. We utilize our branch store personnel and salespersons to help by picking up payments so customers don't have to mail them. Our personnel present an adding machine tape and invoice copies to the customers. The customers have appreciated our extra efforts. This has helped keep the customer in business, and we have kept a good account while helping our cash flow."

Our recent Forum research uncovered other good news for jobbers serving both dealers and retail customers. In the June 1989 study, for example, we announced, "a third of our panelists who operate a machine shop replied that they have recently added new equipment to their shops. It is interesting to note that over half (52.8 percent) of the Group 3 respondents having machine shops reported making equipment additions, as the large jobber is usually the most wholesale-oriented. Such jobbers are likely benefiting from a healthy resurgence of the traditional wholesale market.

Market share

"We asked the Forum panelists to break down their machine shop market according to customer categories. Heading the list, general repair and specialty shops combined to account for 29 percent of the jobbers' machine shop sales. Steadily rising since 1982 when those customers accounted for 21 percent of our respondents' shop labor and parts, they purchased 27 percent according to our 1986 survey.

"The do-it-yourselfer also seems to be holding his own. At 24 percent of the panelists' shop sales in 1986, he now accounts for 26 percent as he also did in 1982—when he used to be the jobbers' Number One shop customer. Although walk-in trade has declined in a number of product categories, where else can a retail customer go to get machine shop work, but to an automotive parts jobber? . . .

"Happily, the current Forum Report indicates that machine shop sales volumes have also been increasing. Our shop operator panelists now report that an average 16.9 percent of their total dollar volume comes from their shop operations. Small and medium-sized jobbers are evidently the biggest gainers. Group 1 is up to 22.1 percent from a 19.8 percent average in 1986, and Group 2 now averages 17.4 percent, up from 13.7 percent according

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to our last study.

"Along with increased sales, there are also encouraging signs of stability. For example, the major portion of the average jobber's shop volume comes from service for passenger cars and/or light trucks. The current 75 percent average figure for this segment is very close to those of 1986 and 1982, which were both 74 percent. The strong figures for market share among jobber's repair shop and DIY customers also point to a broad machine shop marketplace in the near future."

JOBBER TOPICS research likewise indicates strengths in the import vehicle segment. According to the March 1989 study, "A growing market, parts for import cars now account for an average 18.9 percent of the jobbers' sales, according to our most recent Forum survey, the fifth on parts for imports since 1973.

"Over the years, our Forum studies have shown that the market for import car replacement parts has changed in many ways, but has never diminished. In the early Seventies, for example, parts for import cars accounted for less than seven percent of the average jobber's sales. At that time, 'imports' usually meant that someone was repairing a Volkswagen. By contrast, when President Bush returned from Emperor Hirohito's funeral last month, jobbers were identifying the business of parts for import cars as yet another aspect of an astounding Japanese success story.

"With little sense of international trade's impact on the national economy, the American car-buying public relentlessly insists on offering itself as the second most important Japanese marketplace. Indeed, respondents to this survey report that vehicles from Japan account for 82 percent of their import car parts market. While the value of the yen relative to the dollar may wind up helping Detroit to some extent, expectations for increased Nissan, Toyota, Honda, Mazda and Subaru sales remain bright . . .

"Another advantage of today's import replacement parts business for the jobber is that the general, once domestic-oriented mechanic has been compelled to work on imports, because of his changing market. In turn, foreign car owners are drifting toward the general repair facility, away from the import car dealer and specialist.

"Current Forum statistics show that general repair shops account for 29.9 percent of the average jobber's import replacement car parts sales volume (up from 25.4 percent in 1985). Also moving up as customers for import parts were car and truck dealers, specialized repair shops and paint and body shops. Each of these categories accounts for over one percent more of the jobber's average sales volume than they did in 1985. Conversely, the do-it yourselfer has dropped significantly; accounting for 34.9 percent of the jobbers' import volume in 1985, DIYers now purchase only 30.0 percent of the panelists' import merchandise.

Supply and demand

"To accommodate such a strong market, almost all jobbers (95.2 percent of our respondents) sell parts for import cars. As a source for the jobbers' import car parts, the general line WD has grown a bit in strength since our last Forum report on this market.

Jobs Farmed Out

Which of the following operations do you farm out to outside shops?

	(Percent total respondents) All Groups
Crankshaft grinding & welding	39.2
Engine component balancing	34.4
Driveline construction	28.6
Flywheel machining	15.4
Complete engine rebuilding	15.4
Magnetic particle inspection	15.4
Electrical unit testing & repair	14.5
Cylinder head work	12.8
Bearing press work	4.4
Drum & rotor machining	4.0
Other	3.1

*Totals over 100 percent due to multiple mentions

Half Report Shop Sales Up

Was your shop volume for 1988 (parts and labor combined) more, less or about the same as in 1987?

	(Percent operating shops) Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
More	47.2	31.4	62.3	48.9
Less	11.3	17.1	11.3	12.8
Same	37.7	48.6	24.5	35.5
No answer	3.8	2.9	1.9	2.8
	100.0	100.0	100.0	100.0

Methods for Collecting 'Past Dues'

In collecting past due accounts, which of the following methods do you regularly use?

	(Percent total respondents) Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Personal calls by credit manager	30.4	46.5	72.1	55.9
Personal calls by salesmen	21.7	48.8	60.7	49.6
Collection letters	21.7	44.2	59.0	47.2
Attorney	13.0	30.4	44.3	29.1
Collection agency	8.7	23.3	34.4	26.0
Other	17.4	18.6	14.8	16.5

Other: Personal calls by top management; small claims court; personal calls by bookkeeper or controller.

*Totals over 100 percent due to multiple mentions.

Currently, our respondents purchase an average 71.8 percent of their import car parts from WDs—up from 68.2 percent in 1985. While the average volume of parts for imports purchased directly from domestic manufacturers has declined by 3.4 percent since our last survey, the current figure still amounts to 14.1 percent of our typical panelist's [import] inventory.

"Jobbers responding to this survey noted some direct buying from domestic manufacturers goes on in all product categories, and accounts for about 16.7 percent of their filter, 15.9 percent of ignition system, 15.1 percent of their brake system, and 14.3 percent of their cooling system purchases for import vehicles, on the average. Large volume (Group 3) jobbers, however, are much more likely to buy import replacement parts directly from domestic factories than are their medium size (Group 2) and small (Group 1) counterparts. The Group 3 respondents purchase an average 24.2 percent of the import car parts directly from domestic manufacturers—compared to an average 7.2 percent for Group 2 and 4.5 percent for Group 1 panelists.

"Large jobbers are also much more likely to go along with their manufacturer and WD supplier recommendations on adding import car parts to their inventory. Almost 70 percent of the Group 3 respondents reported that they do so as a rule, compared to 43.8 of the Group 1 and 39.5 percent of the Group 2 panelists so reporting.

According to the same study, "Today, domestic manufacturers are providing broader coverage and more high-quality parts for imports. Furthermore, import cars are so large a percentage of the nation's vehicle fleet that many jobbers handle replacement parts for imports no differently than they do for American vehicles. Still, the industry faces some problems in serving this market.

"These include delayed supply and a lack of advertising, displays, and promotion incentives aimed at the dealer level. In addition, a number of panelists felt that manufacturers and WDs should supply more sales and service clinic support, offer better obsolescence policies, provide precise manuals, catalogs and bulletins, and, above all, offer broader lines . . .

"A marketplace characterized by strong jobber loyalty to their suppliers, the business of parts for imports depends on availability for its expansion. While 61.1 percent of our respondents reported that they have never dropped a line of import car replacement parts for any reason, 59.5 percent noted that availability of parts influences addition to their present inventory.

The selling function

"Although the size of the market has made it easier for jobbers to participate in the sales of parts for import cars over the years, *effective sourcing* may sometimes call for creativity. 'We have dual lines for a lot of import parts, because we stock what is available in our domestic brands plus a line of import parts,' a large Southern jobber explained. 'This works out OK, because stock balances are based on turnover plus the time required to

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Median Jobber Has 10 Employees

Including yourself, how many individuals work for your entire organization (headquarters and branches)?

	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Average	12.2	17.3	31.6	21.8
Median	4.0	7.0	16.0	10.0
How many at headquarters location?				
Average	3.2	6.2	14.5	8.8
Median	3.0	6.0	13.0	8.0

Most Report Import Sales Up

Has your volume of import car parts increased, decreased or remained about the same in the last 12 months?

(Percent total respondents)

	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Increased	59.4	68.4	67.9	65.9
Decreased	0.0	2.6	5.4	3.2
Remained the same	31.3	23.7	25.0	26.2
No answer	9.3	5.3	1.7	4.7
	100.0	100.0	100.0	100.0
Percent of increase				
Average	13.1	8.5	8.2	9.8
Median	10.0	10.0	5.0	10.0

Best Equipment Customers

Who is your best customer for equipment?

(Percent total respondents)

	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
General repair shops	36.0	57.1	51.9	49.5
Paint, body shops	12.0	25.0	25.0	21.9
Service stations	20.0	21.4	15.4	18.1
DIYers	24.0	14.3	13.5	16.2
Car dealers	8.0	7.1	17.3	12.4
Other	12.0	0.0	32.7	19.1
No answer	16.0	10.7	1.9	7.6
	*	*	*	*

Other: specialty shops, fleets, industrial and commercial accounts, tire shops, schools, farm trade

*Totals over 100 percent due to multiple mentions

convert brand part numbers is expensive and detrimental to good service. While price in import repair shops is a factor, availability is the key to sales. We feel we have made excellent progress in import parts since we expanded coverage and depth a couple of years ago.'"

Supply sources were also on the mind of another Southerner, responding to our September 1988 Forum on equipment and tools, who commented, "If it weren't for the small hand tool sales and small power tool sales mostly to the walk-in trade, you could mark off most jobbers in this area. What with manufacturers selling direct to garages and repair shops and bidding and selling direct to government and fleet accounts, very little is left. We still feel we get our share of the small hand tool and small power sales."

The same Forum reported, "Indeed, supplier competition appears to have increased: 53.3 percent of our panelists now report that at least one of their suppliers sells direct to their equipment and tool customers—compared to 47.0 percent so reporting in 1984. On the other hand, the price-cutting problem, *still a major concern for some* of the respondents who commented in this in this survey, seems to have abated significantly in the hand tool and power categories since our 1984 tool and equipment Forum Report.

"Currently, 33.3 percent of our respondents note that there is extensive price cutting in their area on hand tools (down from 42.9 percent in 1984). Heavy price cutting on power tools was reported by 48.6 percent of the current panelists (as opposed to 54.6 percent in 1984). Still another improvement in conditions was cited by the Midwestern jobber who wrote, 'Hopefully, the market is starting to return to quality rather than price alone. We are selling with a slight change in the direction of "made in the USA"—since one American manufacturer has recently put reps back on the road. We sold more products in two months than in the last four years, when we had no reps and no WDs.'"

A recurring theme in our panelists' comments, flexibility is likewise critical to their success in today's competitive selling environment. As a jobber who responded to our January 1989 Forum put it, "We have been able to adapt to our customer's changes and changes in the vehicles we provide parts for. We are seeing and will see many changes in the coming years. If we respond to the needs of the market, we will survive and hopefully prosper."

Market—not economy

In the same study, we asked the panel to break down their overall market by customer category. The do-it-yourselfer, accounting for 24.7 percent

Number of Machine Shops Operated

How many shops does your company operate?

	(Percent total respondents)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
None	37.7	48.5	27.0	37.4
1	47.1	42.6	58.1	49.3
2	4.7	4.4	8.1	5.7
3	1.2	2.9	1.4	1.8
4 or more	7.1	0.0	4.1	4.0
No answer	2.2	1.6	1.3	1.8
	100.0	100.0	100.0	100.0

69% Conduct Clinics

Do you conduct clinics for your traditional trade and/or retail customers?

	(Percent total respondents)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Traditional trade customers	46.3	67.7	81.1	68.2
Retail customers	7.3	5.3	7.0	6.4
Do not conduct clinics	45.1	27.8	16.8	27.4
No answer	6.1	5.3	1.4	3.9

***Totals over 100 percent due to multiple mentions.**

Merchandising

How do you merchandise your import lines?

	(Percent total respondents) All Groups
Direct selling	46.0
Advertising	25.4
Special catalogs	16.7
Direct mail	11.1
Service clinics	10.3
Technical bulletins	7.9
Sales clinics	7.9
No answer	23.8

*Totals over 100 percent due to multiple mentions.

Profit and Volume

Compared to your domestic car lines, how would you classify the profitability of handling items for import cars?

	(Percent total respondents) All Groups
Favorable	25.4
Unfavorable	12.7
About the same	55.6
No answer	4.7
	100.0

During the next year, do you expect your volume of import car parts to increase or remain the same?

Increase	65.9
Decrease	0.8
Remain the same	28.6
No answer	4.7
	100.0

of sales on the average, took first place. Next, came general repair shops and service stations which accounted for 22.2 percent and 15.8 percent of the average jobber's volume, respectively. Car dealers, in fourth place with 9.4 percent, were followed by specialized service and repair shops with 7.4 percent, fleet accounts with 6.3 percent, heavy duty accounts with 4.4 percent and farm equipment accounts with 3.7 percent of total annual dollar volume.

Sales to other jobbers accounted for 2.7 percent of our panelists' average volume, while 1.6 percent of the panelists' merchandise was sold to mass merchandisers and discount stores. The remaining 1.8 percent of annual sales is attributed to a variety of customers including industrial, commercial, construction and municipal accounts, among others.

The January 1989 Forum also reported the comment of an insightful jobber who wrote, "Toughest competitor we have is a government legislating laws that favor car dealers and confuse the motorist." It bears mentioning that in the face of concerns about profit margins and price competition, neglect of pending legislation has hurt the industry before.

Susceptible to reversals in the national and regional economy, the short-term health of traditional aftermarket businesses is evidently *tied very closely to political conditions*. The Oil Embargo made that obvious to everyone almost a generation ago and – thanks to the latest bureaucratic nonsense from the EPA – the same malady wearing a different cloak persists today. Who in Washington is really interested in freeing the economy from his or her personal political interests, and who genuinely cares about small business? Yet Forum research shows that the jobber's strength – astounding for its durability – ultimately depends on long-term marketplace needs rather than on financial trends engineered by politicoes.

Summarizing our respondents' varied approach to their immense marketplace, our January study noted, "Carrying a median of 75 lines and serving 160 traditional accounts, our Forum survey's average jobber supplies a complex, competitive, challenging industry accounting for over $35 billion in annual sales nationally. The 'typical' jobber – a difficult individual to describe because of the extremes in size that exist between large and small jobbing businesses – continues to provide a high level of service to his traditional wholesale customers, just as he has in years past. Furthermore, that's what he intends to do in the future, although he is not losing sight of the do-it-yourselfer, whose business now accounts for about 25 percent of his sales."

In concluding this year's Forum summary, JOBBER TOPICS thanks the many jobbers who have helped us by serving on our questionnaire panel over the last four decades. Your assistance has been invaluable to us. Your comments have enlightened, astounded and occasionally infuriated the industry. We can hardly ask for anything more – until we mail you our next study's questionnaire.

Added Equipment?

Have you added any new equipment to your shop recently because of actual or anticipated demand for certain types of services?

	(Percent operating shops)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Yes	22.6	20.0	52.8	33.3
No	60.4	71.4	43.4	56.7
No answer	17.0	8.6	3.8	10.0
	100.0	100.0	100.0	100.0

Import Car Parts as Percent of Sales

What percent of your total dollar volume comes from the sale of import car parts?

	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Average percent	19.1	16.2	20.5	18.9
Median percent	11.0	17.5	17.5	15.0

Account Payment Averages

On the average, what percent of your accounts pay within the following time periods?

	(Average percent)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
30 days	81.0	73.1	73.1	74.4
60 days	10.0	14.9	14.5	13.7
90 days	4.9	5.8	6.7	6.0
Over 90	4.1	6.2	6.1	5.9
	100.0	100.0	100.0	100.0

Availability Influences Increased Stock

Does availability of import car parts influence expansion or additions to your present inventory?

	(Percent total respondents)			
	Group 1 (Small)	Group 2 (Medium)	Group 3 (Large)	All Groups
Yes	62.5	55.3	60.7	59.5
No	31.3	36.8	30.4	32.5
No answer	6.2	7.9	8.9	8.0
	100.0	100.0	100.0	100.0

A Growing PBE Market Copes With Varied Issues

Despite concerns over issues such as hiring and training, environmental regulations and technological changes, the PBE market continues to be strong for jobbers . . .

By NANCY AUSTIN
PBE Editor

The paint, body and equipment end of the industry currently faces wholesale changes that are jeopardizing many body shops and some wholesalers. The cost of doing business in this market rises every day, as PBE marketers adjust to myriad government regulations and paperwork, insurance industry constraints, the tougher requirements for disposing of hazardous wastes, and an increasingly rapid explosion in product technology.

Despite these problems, the PBE market is experiencing growth that can make it a very worthwhile business for those willing—and able—to cope with the changes. A Forum Report on the PBE market published in the May 1989 issue of PBE SPECTRUM revealed that 56 percent of respondents had experienced an increase in PBE sales during the last two years, by an impressive average of 23.8 percent. Just 10 percent of panelists reported a decline in PBE business over the same period.

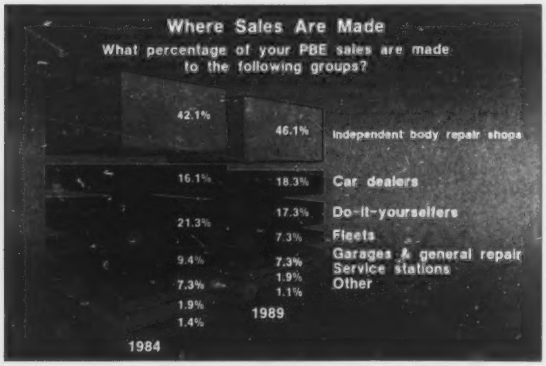
The same study found that even with increasing regulatory, environmental and technological factors besetting the industry, these were not the panelists' top concerns. "Hiring productive employees" and "Training" topped the list of problems that PBE jobbers were facing. However, as the chart below shows, technological changes, legislation/safety regulations and hazardous materials disposal were not far behind as concerns listed by panelists.

Most of the sales in the growing PBE market, the study showed, are being made to independent body repair shops. Product, and changes in product, were emphasized by respondents as a difficult challenge to deal with. Training, both in new product technologies and the new types of vehicles coming from the OE side were listed as crucial needs the industry faces.

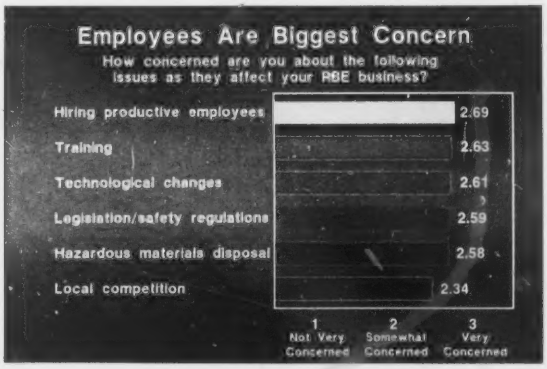
A few representative comments from the survey included: "I have difficulty finding quality people who want to work at any wage." "We feel the PBE business is undergoing traumatic changes. We feel we are slowly being strangled by new laws, new regulations, numerous forms to be completed, plus complete new types of paint and refinish equipment. We expect a huge fallout of both body shops and PBE jobbers in the next few years, up to a third of body shops and perhaps the same number of PBE jobbers."

And yet, the amount of business available to the PBE industry *is* growing, and most readers report increases in business. For those willing to get the training necessary, make the adjustments in equipment and product systems, this will continue to be a lucrative market in future. Crashed cars will always need repairs, and as the repairs become more complex, the total ticket per car will rise. As one jobber put it, "The market is becoming highly specialized, which I view as a plus for my business." Or as another responded: "The PBE market is a growing market. Rapid changes in the industry are providing new sales opportunities."

JOBBER TOPICS, through our special magazine section PBE SPECTRUM, will continue to keep PBE jobbers and wholesalers updated on this changing end of the industry. The 1989 additions of PBE SPECTRUM have been received so well that during 1990 PBE will appear six times in JOBBER TOPICS. We welcome your comments on this exciting new addition to *JT*.



Source: May 1989 PBE Spectrum Forum Report.



Source: May 1989 PBE Spectrum Forum Report.

Jobbers report strong high performance sales

Although the competition in the high performance market remains high, jobbers view this segment as a profitable way to specialize—many offering machine shop services to further boost sales . . .

By DENA ALLMAN
Special Features Editor

The high performance market, though fiercely competitive, is still experiencing growth. A JOBBER TOPICS April 1988 Forum Report shows that 33 percent of the jobbers who stock high performance products have increased their sales in the previous 12 months, while almost 42 percent said sales remained the same. Among the most popular items (80 percent of which are sold to DIYers) are dash-mounted instruments, high performance exhaust system headers and body and interior dress-up accessories, followed by engine cooling system parts, HP shocks/struts and special lubricants and oils. The average monthly sales intake is $3,062.

Many jobbers surveyed for the report said that they have from two to four competitors within their trading area, making it difficult to profit from this market segment. Among major competitors are: speed shops, specialty retailers, performance warehouses and mail order houses.

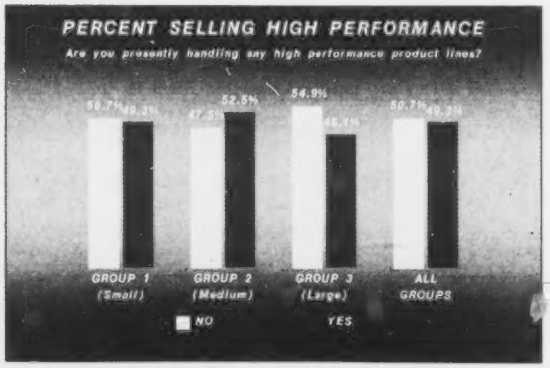
For jobbers who stock performance products, offering machine shop services can be a big sales booster—one that can take business away from competitors. According to one survey respondent, "We have ignored the high performance market during the 16 years I have been a jobber. Now that we have opened a machine shop, high performance is forcing itself on us. I think it's time we took a hard look at the potential, with an eye toward servicing this segment."

As the 1990s approach, several factors will influence high performance product growth. A 1989 Specialty Equipment Market Assn (SEMA) Market Study states that 38.9 percent of high performance product manufacturers believe economic conditions "will play the greatest role in the growth of the specialty equipment market over the balance of the decade. Healthy economic conditions, including high employment, increased consumer disposable income, and an atmosphere in which consumers are encouraged to make discretionary purchases, is nearly three times stronger than any other factor perceived by manufacturers as influencing the near-term growth of the specialty equipment market." However, on the negative side, government regulations continue to plague the market. Almost 13 percent of the manufacturers polled are concerned about such government activities as government support of emissions regulations, off-road vehicle use and Congressional proposals for extending vehicle warranties.

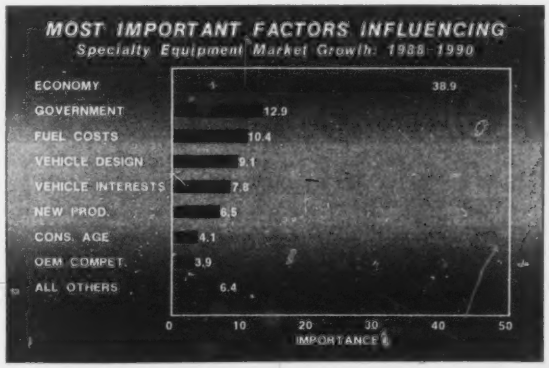
Despite these government obstacles, many jobbers are counting on sales of dress-up items, which do not conflict with government restrictions. "People are dressing up their cars to look good and the popularity of pick-up trucks has helped the market tremendously," comments one Midwestern jobber.

Other factors influencing high performance sales in the next few years include fuel costs, vehicle design, new products and OEM competition.

In order to keep tabs on this profitable market segment, JOBBER TOPICS will feature a quarterly PERFORMANCE & CUSTOM DISTRIBUTION supplemental magazine bound into JOBBER TOPICS. The first issue debuted in June, '89 featuring an article on racing sponsorship and how it benefits jobbers' high performance sales. Look for the next PC&D installment in October, which will include special features such as a profile of the dress-up accessories market and technical information on custom headers. In 1990, this special P&CD section will run four times to keep readers updated on this growing market.



Source: Jobber Topics April 1988 Forum Report.



Source: SEMA 1989 Market Study.

89/90

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Automotive Wholesalers Among Largest in 1988

Based on Number of Branch Stores and Outside Salesmen

	BR.	Outside Sales	Shops
1. Ace Auto Parts Co., Inc., Petersburg, FL	37	13	3
2. Acme Auto Supply, Inc., Hartford, CT	25	13	1
3. Action Auto, Flint, MI	54	4	1
4. Anderson Auto Parts Co., Inc., Anderson, SC	38	21	26
5. Arnold Motor Supply, Spencer, IA	19	19	46
6. Allied Auto Parts Co., Inc., Brockton, MA	24	—	3
7. Automotive One Parts Stores, Inc., Orlando, FL	24	4	2
8. The Automotive Parts Co., Inc., Worthington, OH	18	14	6
9. Automotive Supply Co., Inc., Appleton, WI	14	10	6
10. Barnes Motor & Parts Co., Inc., Wilson, NC	24	30	7
11. Big "A" Auto Parts, Inc., Lebanon, PA	16	20	2
12. Burdman Auto Parts, Inc., Kirksville, MO	30	28	1
13. Burton Auto Supply, Inc., Weslaco, TX	13	11	2
14. Byrd Auto Parts Co., Inc., Burlington, NC	15	2	3
15. CARQUEST, The Parts Place, Sanford, ME	28	8	3
16. Christie & Thomson, Inc., Worcester, MA	13	3	2
17. Conrasa, Calexico, CA	50	—	1
18. Crow-Burlingame Co., Little Rock, AR	60	59	4
19. Crazy Joe's Auto Parts, Concord, NC	25	—	—
20. Darling's Auto Parts, Bangor, ME	14	10	1
21. H.E. Everson Co., Grand Forks, ND	18	15	1
22. Finishmaster Automotive Paint Stores, Kentwood, MI	14	24	—
23. General Auto Supplies, Inc., Albany, IN	17	12	1
24. Genuine Parts Co., Denver, CO	101	10	2
25. Genuine Parts Co., Latham, NY	51	19	11
26. Green Light Auto, Ft. Smith, AR	14	4	10
27. Hedahls, Inc., Bismarck, ND	14	21	11
28. Holyoke Auto Parts & Equip., Inc., dba Hapco Auto Parts, Holyoke, MA	18	9	—
29. Inter-State Auto Supply Co., Elizabethtown, KY	16	22	9
30. Jasper Engine & Transmission Exchange, Jasper, IN	15	35	—
31. Keenan Auto Parts Co., Heavy Duty Div., Albany, GA	30	18	16
32. Kirkham Auto Parts Service Co., Blackfoot, ID	25	7	4
33. Loe's Auto Parts, DeKalb, TX	16	2	2
34. Milford Auto Parts, Inc., Woonsocket, RI	14	8	3
35. Miller Auto Replacement Parts, Inc., Watertown, WI	15	7	2
36. Molin Auto Parts, Buffalo, NY	21	10	4
37. Motor Bearings & Parts Co., Raleigh, NC	21	25	6
38. National Auto Supply Co., Brentwood, MO	23	18	11
39. Northern Auto Supply Co., Div. of Northern Ind., Marshfield, WI	29	20	11
40. O.K. Auto Supply Co., Inc., Ishpeming, MI	17	12	5
41. O'Reilly Automotive, Inc., Springfield, MO	86	12	8
42. Parker Auto Supply, Sumter, SC	18	3	1
43. Republic Automotive Parts, Inc., Brentwood, TN	80	30	10
44. Rodefeld Co., Inc., Richmond, IN	16	16	13
45. The Ridge Co., Inc., South Bend, IN	11	9	9
46. Rupp Automotive, Columbia, MO	18	6	10
47. Sanel Auto Parts, Inc., Concord, NH	27	31	3
48. Short's Auto Parts, Inc., Hazel Park, MI	14	—	1
49. Sieg Co., Davenport, IA	15	10	1
50. Southern Auto Supply, Inc., Bakersfield, CA	13	5	2
51. Sam Stinger Auto Parts, Springfield, MO	20	—	—
52. Sturdevant's Inc., Wahpeton, ND	13	10	5
53. Taylor Parts & Supply Co., Inc., Andalusia, AL	29	4	8
54. Twin 'B' Auto Parts, Virginia Beach, VA	27	—	—
55. Wharton & Barnard, Inc., Milford, DE	9	14	2
56. Womwell Automotive Parts Co., Inc., Lexington, KY	26	12	3

Source: JOBBER TOPICS, Directory of Automotive Jobbers, July 1988.

Shipments Of Passenger Car Tires

Year	Original Equipment	Replacement	Export	Total
1976	49,905,133	122,999,524	4,104,659	177,009,316
1977	55,667,960	129,283,293	4,600,816	189,552,114
1978	54,962,674	135,151,410	3,752,806	193,866,890
1979	48,188,000	121,922,000	3,909,000	174,019,000
1980	34,932,806	106,912,217	4,074,250	145,919,273
1981[1]	35,979,000	125,263,000	4,017,000	165,259,000
1982	33,981,000	130,539,000	2,949,000	167,469,000
1983	43,845,000	133,964,000	4,206,000	182,015,000
1984	50,993,000	144,580,000	6,064,000	201,637,000
1985	54,838,000	141,455,000	4,625,000	200,918,000
1986	54,392,000	144,267,000	4,032,000	202,691,000
1987	52,913,000	151,892,000	5,987,000	210,792,000
1988	54,131,000	155,294,000	9,365,000	218,790,000

Source: *Rubber Manufacturers Association.* [1]Figures have been adjusted to include those manufacturers, both foreign and domestic, that do not report to RMA. 1982 and subsequent totals include Volkswagen. 1983 and subsequent totals includes Renault.

Profile of the Franchised Dealer's Service and Parts Operation

	Average Dealership	All Dealers
Total Service and Parts Sales	$1,717,331	$ 43.4 Billion
Total Gross Profit as percent of Service and Parts Sales	38.5%	XX
Total Net Profit as percent of Service and Parts Sales	1.9%	XX
Total Number of Repair Orders Written	7,633	193 Million
Total Service and Parts Sales per Customer Repair Order	$ 160	XX
Total Service and Parts Sales per Warranty Repair Order	$ 130	XX
Number of Mechanics	9	230,000
Number of Service Bays (excluding body)	14	345,000
Total Parts Inventory	$ 182,000	$ 4.6 Billion
Average Customer Mechanical Labor Rate	$ 35	XX

Source: National Automobile Dealers Assn, Industry Analysis Division.

Franchised New Car Dealers' Service and Parts Sales

Year	Millions of Dollars	Percent Change
1978	$20,462	10.5
1979	23,142	13.1
1980	22,703	−1.9
1981	23,116	1.8
1982	24,447	5.8
1983	26,363	7.8
1984	29,820	13.1
1985	32,078	7.6
1986	34,042	6.1
1987	38,710	13.7
1988	43,363	12.0

Source: National Automobile Dealers Assn, Industry Analysis Division.

State-by-State Look

State	Car Registration[1]	Truck and Bus Registration[1]	Total Registration[1]	Automotive Distributors/ Outlets[2]
Ala.	2,758,000	894,000	3,652,000	600
Alaska	225,000	129,000	354,000	51
Ariz.	1,783,000	715,000	2,498,000	362
Ark.	961,000	520,000	1,481,000	444
Calif.	16,473,000	4,808,000	21,281,000	2,429
Colo.	2,227,000	853,000	3,080,000	440
Conn.	2,498,000	166,000	2,664,000	392
Del.	385,000	112,000	497,000	84
D. of C.	252,000	16,000	268,000	20
Fla.	8,822,000	2,224,000	11,046,000	1,388
Ga.	3,708,000	1,522,000	5,230,000	791
Hawaii	614,000	84,000	698,000	108
Idaho	626,000	393,000	1,019,000	193
Ill.	6,428,000	1,448,000	7,876,000	1,324
Ind.	2,774,000	962,000	3,736,000	786
Iowa	1,987,000	779,000	2,766,000	592
Kan.	1,512,000	694,000	2,206,000	477
Ky.	1,832,000	930,000	2,762,000	526
La.	1,984,000	943,000	2,927,000	530
Maine	698,000	226,000	924,000	188
Md.	2,769,000	600,000	3,369,000	452
Mass.	3,433,000	498,000	3,931,000	692
Mich.	5,556,000	1,524,000	7,080,000	1,212
Minn.	2,546,000	717,000	3,263,000	479
Miss.	1,341,000	413,000	1,754,000	378
Mo.	2,665,000	1,088,000	3,753,000	800
Mont.	413,000	231,000	644,000	173
Neb.	887,000	445,000	1,332,000	286
Nev.	624,000	233,000	857,000	96
N.H.	724,000	190,000	914,000	163
N.J.	5,048,000	593,000	5,641,000	1,019
N.M.	799,000	477,000	1,276,000	185
N.Y.	8,764,000	1,270,000	10,034,000	1,876
N.C.	3,542,000	1,474,000	5,016,000	975
N.D.	387,000	267,000	654,000	123
Ohio	7,177,000	1,601,000	8,778,000	1,330
Okla.	1,991,000	946,000	2,937,000	468
Ore.	1,689,000	571,000	2,260,000	344
Pa.	6,331,000	1,538,000	7,869,000	1,648
R.I.	554,000	118,000	672,000	127
S.C.	1,793,000	610,000	2,403,000	423
S.D.	418,000	271,000	689,000	129
Tenn.	3,304,000	831,000	4,135,000	657
Texas	8,330,000	3,879,000	12,209,000	2,100
Utah	760,000	359,000	1,119,000	177
Vt.	345,000	121,000	466,000	95
Va.	3,623,000	1,106,000	4,729,000	689
Wash.	2,801,000	1,122,000	3,923,000	544
W. Va.	831,000	385,000	1,216,000	231
Wis.	2,373,000	714,000	3,087,000	579
Wyo.	290,000	203,000	493,000	100
TOTAL	140,655,000	42,813,000	183,468,000	30,282

Sources: [1]U.S. Federal Highway Administration. [2]JOBBER TOPICS Circulation File (1989). [3]Vehicles per wholesaling outlet obtained by dividing outlets into total registration. Final figure is average for all states. [4]R. L. Polk & Co. Marketing Services Division (1989). [5]SUPER

at the Wholesaler's Market

Vehicles Per Wholesaling Outlet[3]	Car Dealers[4]	Truck & Trailer Dealers[4]	Service Stations & Truck Stops[3]	Auto Repair Shops[4]	State
6,087	377	109	941	1,691	Ala.
6,941	50	7	105	164	Alaska
6,901	243	38	506	1,507	Ariz.
3,336	362	88	771	1,083	Ark.
8,761	2,416	322	4,921	14,991	Calif.
7,000	385	46	777	1,944	Colo.
6,796	399	47	1,006	1,577	Conn.
5,917	78	16	144	299	Del.
13,400	11	2	92	403	D. of C.
7,958	1,305	104	2,237	5,757	Fla.
6,612	703	137	1,460	2,825	Ga.
6,463	69	27	298	567	Hawaii
5,280	155	19	309	484	Idaho
5,949	1,428	200	2,753	5,030	Ill.
4,753	707	160	1,726	2,577	Ind.
4,672	607	124	1,506	1,526	Iowa
4,625	441	88	1,061	1,312	Kan.
5,251	377	155	1,348	1,355	Ky.
5,523	370	131	993	2,035	La.
4,915	212	38	410	537	Maine
7,454	400	62	1,143	1,798	Md.
5,681	687	95	1,729	3,104	Mass.
5,842	1,004	214	2,206	3,887	Mich.
6,812	647	137	1,592	1,706	Minn.
4,640	351	70	530	984	Miss.
4,691	764	140	1,821	2,659	Mo.
3,723	174	62	371	483	Mont.
4,657	311	76	882	944	Neb.
8,927	92	28	263	492	Nev.
5,607	200	33	316	498	N.H.
5,536	812	110	2,390	4,052	N.J.
6,897	180	36	382	721	N.M.
5,349	1,752	212	3,599	8,214	N.Y.
5,145	796	139	1,583	2,746	N.C.
5,317	178	68	393	292	N.D.
6,600	1,224	219	3,190	5,039	Ohio
6,276	512	137	989	1,483	Okla.
6,570	395	39	735	1,375	Ore.
4,775	1,684	233	3,221	5,996	Pa.
5,291	115	14	284	544	R.I.
5,681	378	69	882	1,357	S.C.
5,341	155	49	433	357	S.D.
6,294	558	190	1,286	2,099	Tenn.
5,814	2,155	375	3,407	8,481	Texas
6,322	208	25	431	744	Utah
4,905	125	23	217	261	Vt.
6,864	717	107	1,560	2,496	Va.
7,211	500	83	1,033	2,148	Wash.
5,264	300	94	688	630	W. Va.
5,332	758	115	1,869	1,925	Wis.
4,930	97	21	269	302	Wyo.
6,059	28,827	5,133	63,071	115,481	TOTAL

AUTOMOTIVE SERVICE Circulation File (1989). Figures represent service stations and truck stops qualified for automotive repair and service work. [4]U.S. Census of Business (1982).

Franchised New Car Dealer Service and Parts

(Millions of Dollars)

SERVICE LABOR SALES	1987	1988	Percent Change
Customer Mechanical	6,448	7,430	15.2
Customer Body	2,622	2,866	9.3
Warranty	2,589	2,866	10.7
Sublet	1,468	1,625	10.7
Internal	2,226	2,245	0.9
Other	1,138	1,223	7.5
Total Service Labor	16,490	18,256	10.7
PARTS SALES			
Customer Mechanical	5,066	5,975	18.0
Customer Body	2,577	2,762	7.2
Wholesale	6,821	7,708	13.0
Counter	1,466	1,607	9.6
Warranty	3,333	3,942	18.3
Internal	2,200	2,260	2.7
Other	755	854	13.0
Total Parts	22,219	25,107	13.0
TOTAL SERVICE & PARTS	$38,710	$43,363	12.0

Source: National Automobile Dealers Assn, Industry Analysis Division.

The Meaning of Median Figures

Readers will notice that a number of tables in this special section make use of median figures instead of, say, average figures. Many modern business analysts believe that medians are more precise than averages—hence a growing trend toward the use of medians.

The word "median," according to the dictionary, refers to the middle. In a statistical sampling, the word median refers to that firm whose figures place it in the exact middle of the sampling. In a study of the business costs of a thousand automotive wholesalers, for example, the median wholesaler would be that firm in the middle; five hundred of the firms would have higher costs and five hundred would have lower costs—in graduated figures working away from that median or middle firm.

ASIA's Median Wholesaler: How Well He's Managed His Assets

ASSET PRODUCTIVITY RATIOS	All Firms
Average Collection Period (days)	39.7
Cash Sales—% of Net Sales	28.0%
Inventory Turnover	3.0
Inventory Holding Period (days)	121.3
Sales to Inventory Ratio	4.6
Gross Margin Return on Inventory	161.0%

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Key Business Ratios For ASIA's Median Wholesaler

PROFIT MODEL RATIOS	All Firms
Profit Margin = Profit Before Taxes/Net Sales	1.3%
Asset Turnover = Net Sales/Total Assets	2.5
Return on Assets = Profit Before Taxes/Total Assets	3.3%
Financial Leverage = Total Assets/Net Worth	1.8
Return on Net Worth = Profit Before Taxes/Net Worth	5.9%

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Income Statement For ASIA's Median Wholesaler

	All Firms
Typical Total Net Sales	$1,499,262
Merchandise Sales Growth (1987 vs. 1986)	3.9%
INCOME STATEMENT	
Net Sales:	
Merchandise Sales	97.7%
Machine Shop Labor Sales	2.3
Total Net Sales	100.0%
Cost of Goods Sold	65.0
Gross Profit	35.0
Operating Expenses (Non-shop):	
Total Selling Expenses	10.9
Total Delivery Expenses	2.5
Total Store & Occupancy Expenses	5.6
Total General & Administrative Expenses	14.1
Shop Operating Expenses	0.4
Total Operating Expenses	33.5
Operating Profit (Loss)	1.5
Other Income	0.6
Interest Expense	0.8
Other Expenses	0.0
Profit Before Taxes	1.3
Income Taxes	0.1
Profit After Taxes	1.2%
Forecast Merch. Increase ('88 vs. '87)	8.2%

The income statement summarizes the income and outgo of funds for the entire year. It reflects the ability of management to make sales, control expenses, and thereby earn profit. The income statement serves then as a report card for management's performance over the year. The level of performance depends primarily upon control of two areas: gross margin and operating expenses.

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Balance Sheet For ASIA's Median Wholesaler

BALANCE SHEET	All Firms
Assets	
Cash & Marketable Securities	4.7%
Accounts Receivable	19.4
Inventory	59.4
Other Current Assets	0.8
Total Current Assets	84.3
Fixed Assets	15.7
Total Assets	100.0%
Liabilities and Net Worth	
Accounts Payable (Trade)	18.7%
Notes Payable	5.6
Other Current Liabilities	3.8
Total Current Liabilities	28.1
Long Term Debt	16.3
Net Worth	55.6
Total Liabilities & Net Worth	100.0%

The balance sheet reports the amount of funds in the asset, liability, and net worth accounts at the end of the fiscal year. The financial situation of the business is considered "frozen" for that particular moment. Unlike the income statement which is cumulative, the balance sheet does not record the total flows into and out of its accounts throughout the period, but rather reports a fixed position at the end of the period.

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Number of Workers, by Category of Median ASIA Wholesaler

Job Classification	Average Number Employed
Executives	1.5
Outside Sales	2.0
Sales Supervisors	0.0
Inside Counter Sales	5.0
Delivery	2.5
Stockroom	1.0
Stockroom Supervisors	0.0
Store Personnel	0.0
Administrative Supervisors	0.0
Administrative Clerical	2.0
Purchasing, Inventory	1.0
Shop (Machinists & Supervisors)	1.0
Other	0.0
Total Employees	16.0

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Executive Compensation For ASIA's Median Wholesaler

	All Firms
Highest Paid Executive Salary & Bonus	$42,413
2nd Highest Paid Executive Salary & Bonus	$31,395
2nd Highest Paid Executive as a % of the Highest Paid Executive	81.5%
Highest Paid Executive Salary & Bonus as % of Net Sales	2.7%
2nd Highest Paid Executive Salary & Bonus as % of Net Sales	1.7%

In controlling employee payroll, the key to success is not the absolute level of compensation, but rather the corresponding level of sales productivity. That is, how much output is being generated in relation to the number of employees producing the output. As a general rule, the higher the level of employee productivity, the more successful the firm.

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Productivity Measures For Staff of Median ASIA Wholesaler

	All Firms
Payroll Expense to Merchandise Sales	21.5%
Payroll per Non-Shop Employee	$20,981
Benefits as a % of Payroll	5.9%
Sales per Employee	$88,793
Merch. Sales per Outside Sales Employee	$775,442
Merchandise Sales per Non-Shop Employee	$87,791
Machine Shop Sales per Shop Employee	$30,569

Employees are the lifeblood of the organization. Without a properly motivated and compensated work force, few firms can produce much more than basic levels of performance in the long run. At the same time, employee compensation and fringe benefits are usually the single largest expense category on the income statement. Consequently, employees represent both a strength to the organization and an expense to be controlled.

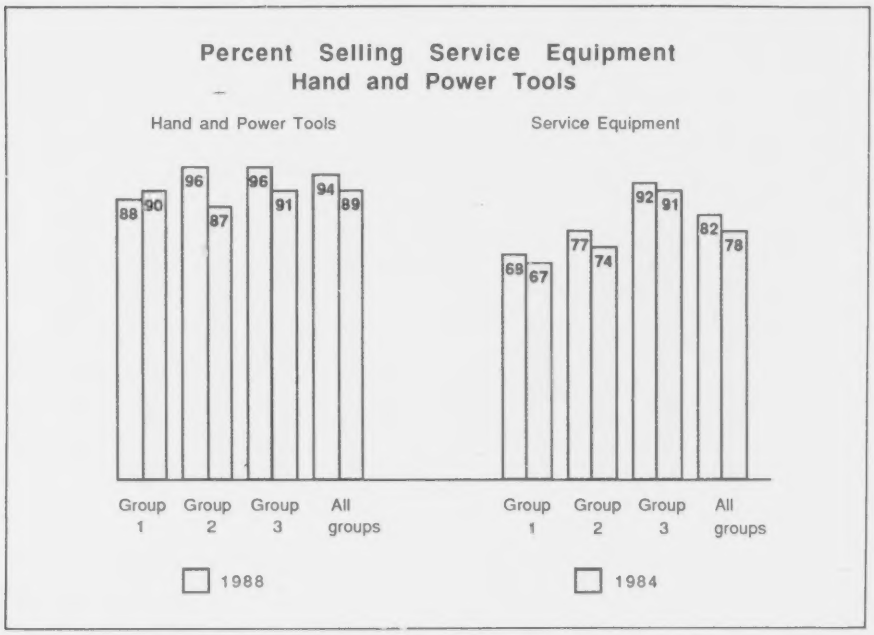
Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Sales Profile of ASIA Median Warehouse Distributor

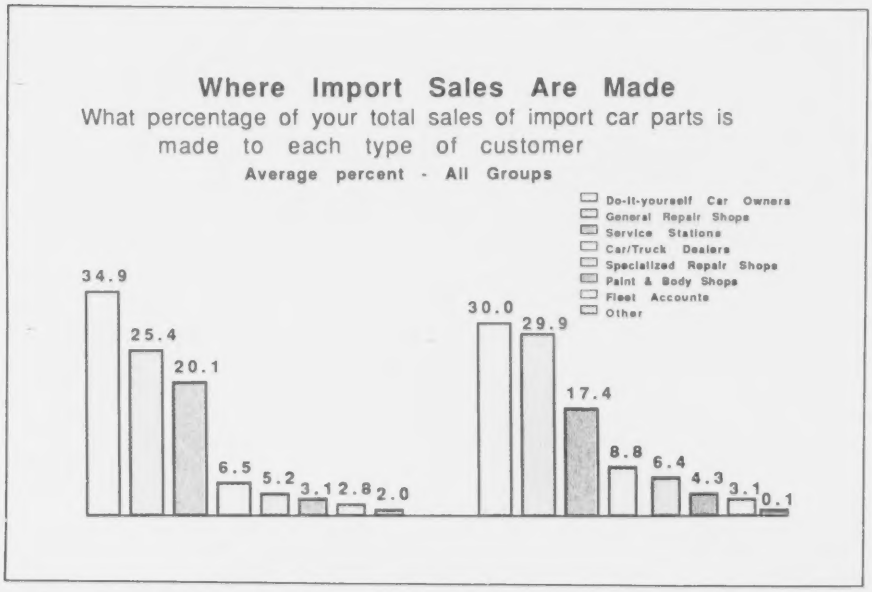
	All Firms
Number of Manufacturers Represented	80
Sales Per Manufacturers Represented ($1,000's)	$64.6
Number of Product Lines Carried	127.5
Sales Per Product Line Sold ($1,000's)	$40.5
Number of Part Numbers Stocked	57,000
Sales Per Part Number Stocked	$91
Number of Wholesaler Customers Served	203
Percentage of Sales to Company Owned Stores	11.5%

Every organization that buys and sells products is a merchandising organization. The sale of products represents the single largest revenue category for the firm, while the purchase of those products is the single largest cost factor. In addition, many of the other costs of doing business are in some way related to the buying, handling, or selling of the merchandise.

Source: 1988 Edition of Cost of Doing Business Analysis For Warehouse Distributors, published by the Automotive Service Industry Assn.



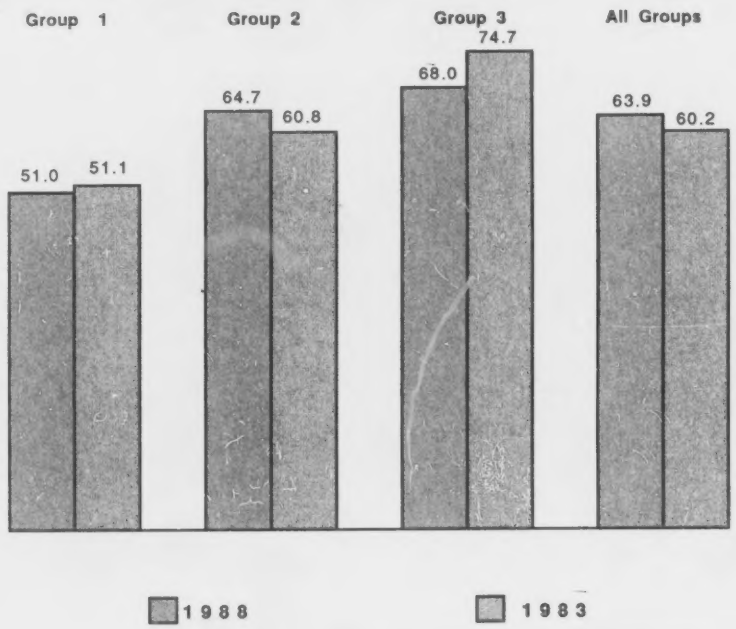
Source: Forum Survey Report on Tools and Equipment: High Quality Sales and More Service, published September 1988, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Croup 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).



Source: Forum Survey Report on Parts for Import Cars—Sales Setting New Records, published April 1989, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).

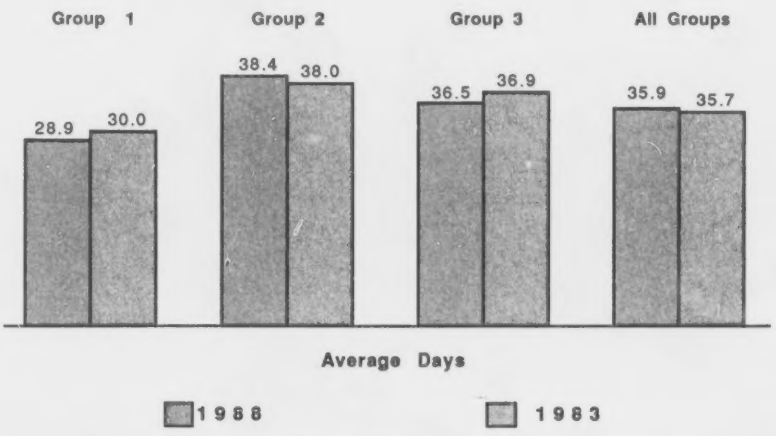
Charge Sales

What percentage of total sales are open account and contract sales?

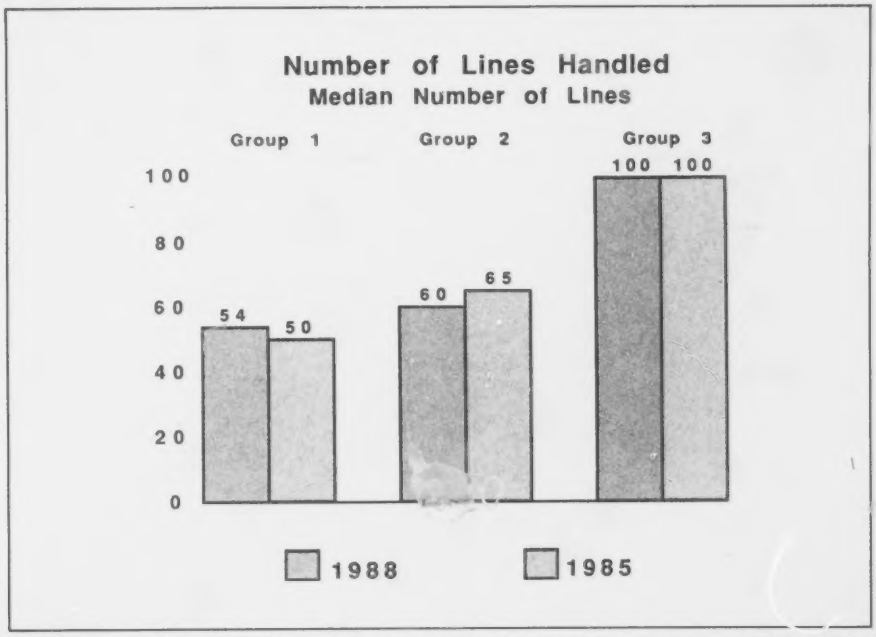


Average Collection Period

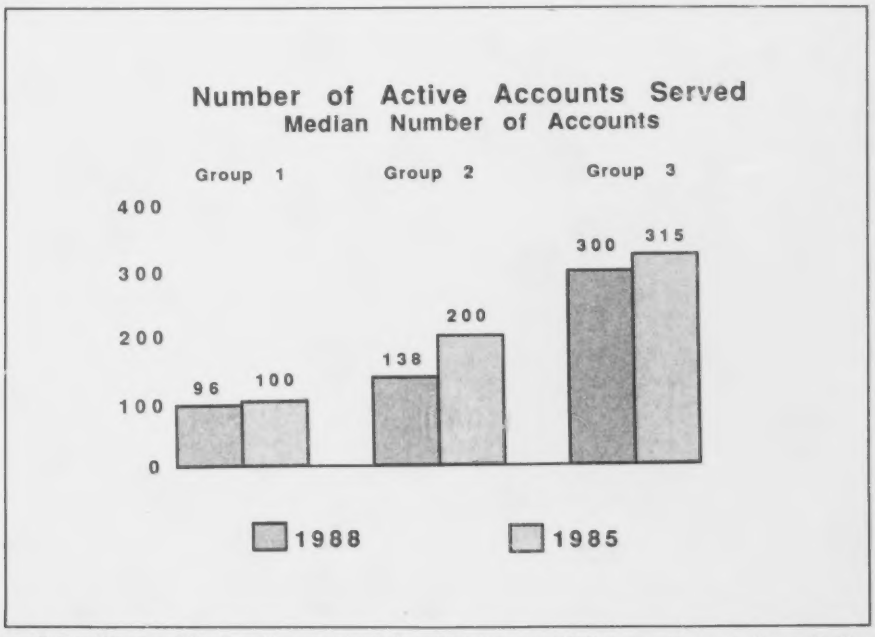
What is your average collection period (days merchandise sales in receivables)?



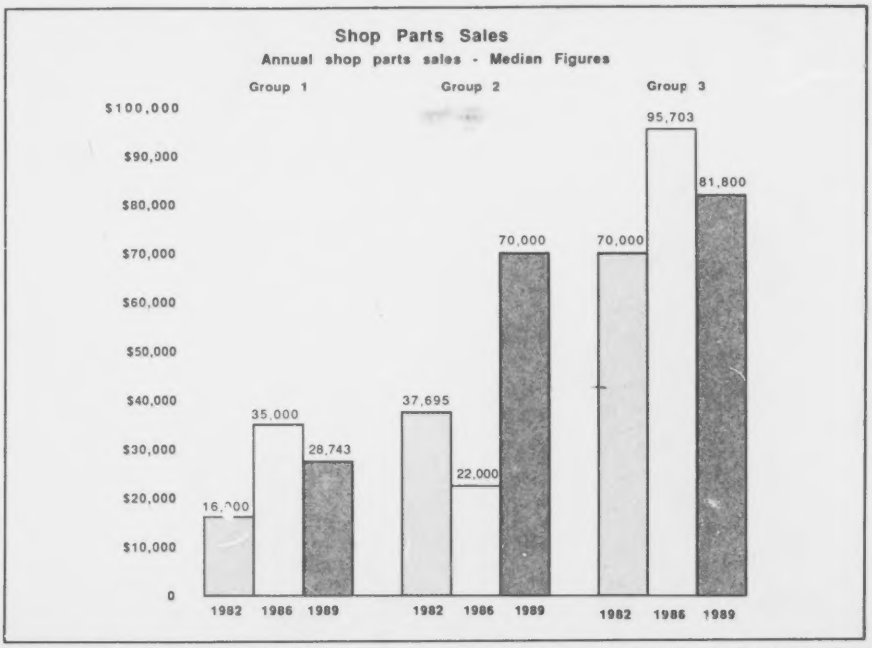
Source: Forum Survey Report on Accounts Receivable and Collection practices, published November 1988, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).



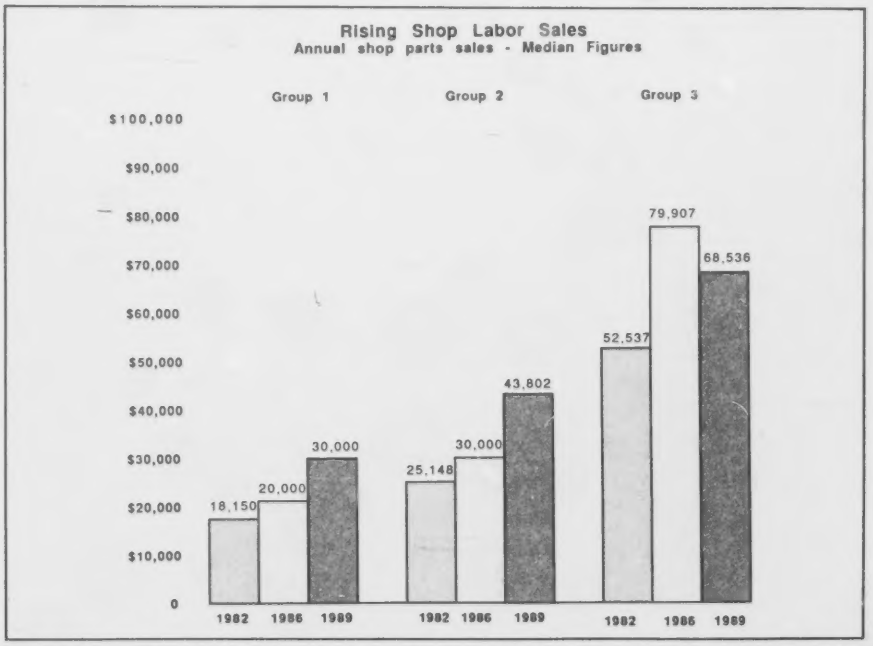
Source: Forum Survey Report on What is an 'Average' Jobber?, published January 1989, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).



Source: Forum Survey Report on What is an 'Average' Jobber?, published January 1989, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).



Source: Forum Survey Report on Does the Machine Shop Really Boost Sales Volume, published June 1989, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).



Source: Forum Survey Report on Does the Machine Shop Really Boost Sales Volume, published June 1989, JOBBER TOPICS. In Forum Studies, Respondents questionnaires are divided into three annual sales volume groups as follows: Group 1 (under $350,000), Group 2 ($350,000 to $750,000) and Group 3 ($750,000 and over).

Performance Measures For ASIA Warehouse Distributors

	Median Distributor (1988)
SALES PERFORMANCE	
Dollars of Net Sales	$4,809,682
Percent Sales Change Over Prior Year	7.8%
Number of Manufacturers Represented	75
Number of Product Lines Represented	105
RETURN ON INVESTMENT	
Profit Margin—pre-tax	2.4%
Asset Turnover	2.3
Return on Assets—pre-tax	5.4%
Financial Leverage	2.1
Return on Net Worth—pre-tax	11.2%
PROFITABILITY PERFORMANCE	
Gross Margin (% of sales)	24.0%
Operating Profit (% of sales)	2.2%
Profit Before Taxes (% of sales)	2.4%
Earnings Before Interest and Taxes to Total Assets (%)	6.8%
OPERATING EXPENSE CONTROL	
Total Operating Expenses (% of sales)	21.8%
Total Selling Expenses (% of sales)	4.0%
Total Delivery & Shipping Expenses (% of sales)	2.3%
Total Warehouse & Occupancy Expenses (% of sales)	6.0%
Total General Administrative Expenses (% of sales)	9.5%
PRODUCTIVITY RATIOS	
Inventory Turnover	3.5 times
Net Sales to Inventory	4.6
Gross Margin Return on Inventory	111.4%
Accounts Receivable Average Collection Period	42.7 days
Net Sales Volume per Employee	$192,390
Net Sales Volume per Outside Salesman	$2,404,840
Total Payroll Expense as a Percent of Net Sales	13.6%
FINANCIAL RATIOS	
Current Ratio	2.0
Quick Ratio	0.7
Accounts Payable Payout Period	56.5 days
Debt to Equity	1.1

Source: 1989 Edition of the *Cost of Doing Business Analysis* for ASIA Automotive Warehouse Distributors.

Operating Expenses For ASIA's Median Wholesaler

	All Firms
Merchandise Gross Profit	35.0%
Machine Shop Gross Profit	42.2%

OPERATING EXPENSES DETAILED

Selling Expenses:

Outside Sales Salary, Commission, Bonus, Auto, Travel, & Trade Relations	2.8%
Sales Supervisor Salary, Commission & Bonus	0.8
Inside Counter Salary, Commission & Bonus	6.2
Advertising & Sales Promotion	0.8
Miscellaneous & Supplies	0.3
Total Selling Expenses	10.9%

Delivery Expenses:

Delivery Salary, Wage & Bonus	1.5%
Vehicle Operating Expense	0.7
Depreciation—Vehicle Equipment	0.2
Transportation Out & Parcel Post	0.1
Miscellaneous & Supplies	0.0
Total Delivery Expenses	2.5%

Store and Occupancy Expense:

Stockroom, Wage & Bonus	1.0%
Stockroom Supervisory Salary & Bonus	0.0
Store Clerical Wage & Bonus	0.0
Heat, Lights & Water	0.9
Rent (or Depreciation)	2.4
Repairs & Maintenance—Buildings	0.3
Depreciation—Fixtures & Equipment	0.5
Miscellaneous & Supplies	0.5
Total Store and Occupancy Expenses	5.6%

General & Administrative Expenses:

Executive Salary & Bonus	3.9%
Supervisory Salary & Bonus	0.7
Clerical Salary, Wage & Bonus	1.6
Payroll Taxes	1.6
Employee Benefits	1.2
Electronic Data Processing Costs	0.8
Telephone & Telegraph	0.8
Taxes, General	0.4
Insurance, General	1.0
All Other G & A Expenses	2.1
Total G & A Expenses	14.1%

Financial ratios are the basic scores on which managers are judged by creditors and the suppliers of capital to the business, the investors. Managers also may be investors as sole proprietors, partners, or stockholders and should know which ratios to use in evaluating their investments. The ratios covered here are the key ratios necessary to make such evaluations.

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

MEMA's 'Composite' Wholesalers

ASSETS	1988/87	1987/86	1986/85
Cash	5.8%	5.6%	7.5%
Accounts Receivable	22.0%	14.3%	21.3%
Inventory	48.1%	45.4%	46.6%
Total Current Assets	75.9%	65.3%	75.4%
Deferred Assets	24.1%	34.7%	24.6%
Total Assets	100.0%	100.0%	100.0%
LIABILITIES & NET WORTH			
Current Debt	38.8%	31.7%	34.9%
Long Term Debt	16.3%	22.6%	11.3%
Net Worth	44.9%	45.6%	53.8%
Total Debt & Net Worth	100.0%	100.0%	100.0%
PROFIT & LOSS STATEMENT			
Net Sales	100.0%	100.0%	100.0%
Cost of Goods Sold	69.3%	70.8%	69.6%
Gross Profit	30.7%	29.2%	30.4%
Expenses	29.0%	27.5%	28.7%
Net Profit After Taxes	1.7%	1.7%	1.7%
FINANCIAL RATIOS			
Collection Period—Days	32.0	24.3	31.6
Days Payables Outstanding	45.0	41.4	43.3
Quick Ratio	72.0%	63.0%	82.0%
Current Ratio	195.0%	206.0%	216.0%
Inventory to Working Capital	129.6%	135.2%	115.2%
Inventory to Current Assets	63.8%	69.5%	61.8%
Current Debt to Inventory	80.6%	69.9%	74.9%
Current Debt to Net Worth	86.4%	69.6%	64.9%
Total Debt to Net Worth	122.2%	118.5%	85.7%
OPERATING RATIOS			
Gross Profit to Sales	30.7%	29.2%	30.4%
Net Profit to Sales	1.7%	1.7%	1.7%
Net Profit to Net Worth	9.4%	8.2%	7.8%
Net Profit to Working Capital	11.4%	11.1%	10.3%
Net Profit to Total Assets	4.2%	3.7%	4.2%
EFFICIENCY RATIOS—TIMES			
Net Sales to Net Worth	5.6	4.7	4.6
Net Sales to Working Capital	6.8	6.4	6.1
Inventory Turnover	3.6	3.4	3.7
Net Sales to Total Assets	2.5	2.2	2.5

Source: 1988 Edition of the *Automotive Distributor Trends & Financial Analysis*, published by the Motor & Equipment Manufacturers Assn.

MEMA's Profile of Average WD

ASSETS	1988/87	1987/86	1986/85
Cash	3.8%	4.0%	2.7%
Accounts Receivable	26.0%	26.9%	28.4%
Inventory	45.9%	46.6%	43.0%
Total Current Assets	75.7%	77.5%	74.1%
Deferred Assets	24.3%	22.5%	25.9%
Total Assets	100.0%	100.0%	100.0%
LIABILITIES & NET WORTH			
Current Debt	46.3%	45.5%	47.3%
Long Term Debt	13.6%	16.0%	10.4%
Net Worth	40.1%	38.5%	42.3%
Total Debt & Net Worth	100.0%	100.0%	100.0%
PROFIT & LOSS STATEMENT			
Net Sales	100.0%	100.0%	100.0%
Cost of Goods Sold	76.1%	76.8%	76.4%
Gross Profit	23.9%	23.2%	23.6%
Expenses	22.7%	22.0%	22.2%
Net Profit After Taxes	1.2%	1.2%	1.4%
FINANCIAL RATIOS			
Collection Period—Days	43.9	41.4	45.9
Days Payables Outstanding	61.1	56.9	56.4
Quick Ratio	64.0%	68.0%	66.0%
Current Ratio	163.0%	170.0%	157.0%
Inventory to Working Capital	156.3%	146.0%	160.3%
Inventory to Current Assets	60.6%	60.1%	58.0%
Current Debt to Inventory	101.0%	97.8%	109.9%
Current Debt to Net Worth	115.4%	118.4%	111.8%
Total Debt to Net Worth	148.5%	159.8%	136.0%
OPERATING RATIOS			
Gross Profit to Sales	23.9%	23.2%	23.6%
Net Profit to Sales	1.2%	1.2%	1.4%
Net Profit to Net Worth	6.3%	7.1%	7.7%
Net Profit to Working Capital	8.6%	8.6%	12.1%
Net Profit to Total Assets	2.5%	2.7%	3.3%
EFFICIENCY RATIOS—TIMES			
Net Sales to Net Worth	5.4	6.2	5.4
Net Sales to Working Capital	7.4	7.4	8.4
Inventory Turnover	3.6	3.9	4.0
Net Sales to Total Assets	2.2	2.4	2.3

Source: 1988 Edition of the *Automotive Distributor Trends & Financial Analysis*, published by the Motor & Equipment Manufacturers Assn.

Operating Costs of Average WD As Percent of Net Sales: AWDA

Figures Apply to 1988 Operating Experience

	Percent of Net Sales
SALES	
Gross Sales, Merchandise	132.88%
Returned Sales & Allowances, Merchandise	−27.28%
Cash Discounts Allowed	−2.37%
Trade or Volume Discounts Allowed	−3.18%
Total Reductions	−32.83%
NET SALES	100.00%
COST OF SALES	
Cost of Goods Sold	76.47%
Factory Transportation & Handling Charge	0.13%
Cash Discounts Earned	−1.36%
Lifo Cost (Benefit)	0.40%
COST OF SALES	75.64%
GROSS MARGIN	24.36%
OPERATING EXPENSES	
Selling Expenses (These include: salaries and/or commissions for supervisors, countermen, sales trainers; salesmen travel and trade relations costs; vehicle operation and depreciation, suppliers; advertising and sales promotion; WATS or leased line to customers.)	3.91%
Delivery and Shipping Expenses (These include: salaries and/or wages for supervisors, drivers; drivers' travel costs; vehicle operation and depreciation; supplies; postage; transportation out.)	2.58%
Warehouse and Occupancy Expenses (These include: salaries and/or wages for supervisors, warehouse employees, clerical workers; supplies; heat, light, water; rent; depreciation of buildings, land improvements, leasehold improvements, and warehouse fixtures and equipment; repairs and maintenance for buildings, fixtures and equipment.)	6.11%
General and Administrative Expenses	8.45%
TOTAL OPERATING EXPENSES	21.05%
OPERATING INCOME	3.31%
OTHER INCOME (This includes: cash discounts earned; interest received or accrued; gain on sales of assets; service bureau fees; rental income; dividends from subsidiaries; dividend income; other.)	0.92%
OTHER EXPENSE (This includes: cash discounts allowed; interest paid or accrued; employees' profit sharing, employees' pension fund expenses.)	1.11%
PRETAX INCOME	3.12%

Source: 1989 *AWDA Financial Analysis Report* of the Automotive Warehouse Distributors Assn.

AWDA Figures for WD Net Profit, Turnover, Sales Per Employee

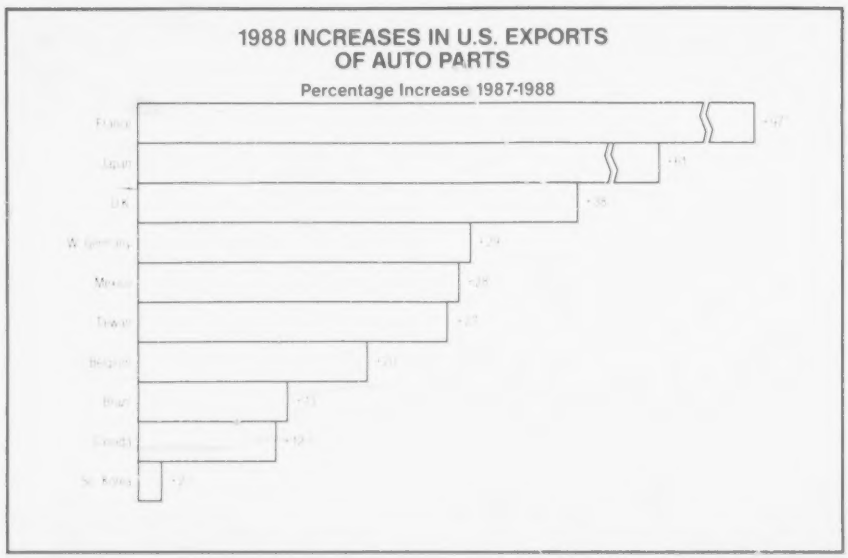
Company Size (By Dollar Vol.)	Average Net Sales Volume	Net Profit Before Taxes (Percent)	Days Sales Outstanding Accts. Rec. (Days)	Median Inventory Turns	Sales Per Employee (Dollars)
Under $4,000,000	$ 2,841,816	1.24%	40.73	3.20	$146,788
$4,000,000 to $7,000,000	5,258,628	2.38	53.49	3.00	170,122
$7,000,000 to $10,000,000	8,554,310	2.14	49.22	3.53	192,210
$10,000,000 to $15,000,000	12,098,202	3.57	40.38	3.60	177,692
Over $15,000,000	33,473,434	3.30	50.81	4.34	205,841
All Companies	$10,984,181	3.12%	48.66	3.64	$193,838

Source: 1989 *AWDA Financial Analysis Report* of the Automotive Distributors Assn.

Relative Size of State and Regional Wholesaler Associations

1988 Rank	Association	1988 Members	1987 Rank
1	Texas	1,661	1
2	California	1,245	2
3	Florida	891	3
4	Pennsylvania	740	5
5	Illinois	714	4
6	New Jersey	712	6
7	New England	588	8
8	Alabama	565	10
9	Michigan	560	7
10	New York	510	13
11	North Carolina	500	11
12	Ohio	491	9
13	Missouri/Kansas	453	12
14	Washington	422	14
15	Kentucky	395	15
16	Oklahoma	349	17
17	Chesapeake	325	19
18	Virginia	311	20
19	Indiana	306	18
20	Louisiana	300	16
21	Tennessee	300	24
22	Georgia	270	21
23	Iowa	270	25
24	Oregon	259	22
25	South Carolina	250	27
26	Minnesota	242	23
27	Wisconsin	192	26
28	Rocky Mountains	157	29
29	North Dakota	125	28
30	New Mexico	120	30
31	Arizona	90	31
32	Mississippi	89	33
33	Arkansas	77	32
34	Nebraska	77	35
35	Idaho	73	34
36	West Virginia	55	36
37	Nevada	—	37
38	Montana	18	N/A
39	Hawaii	3	38

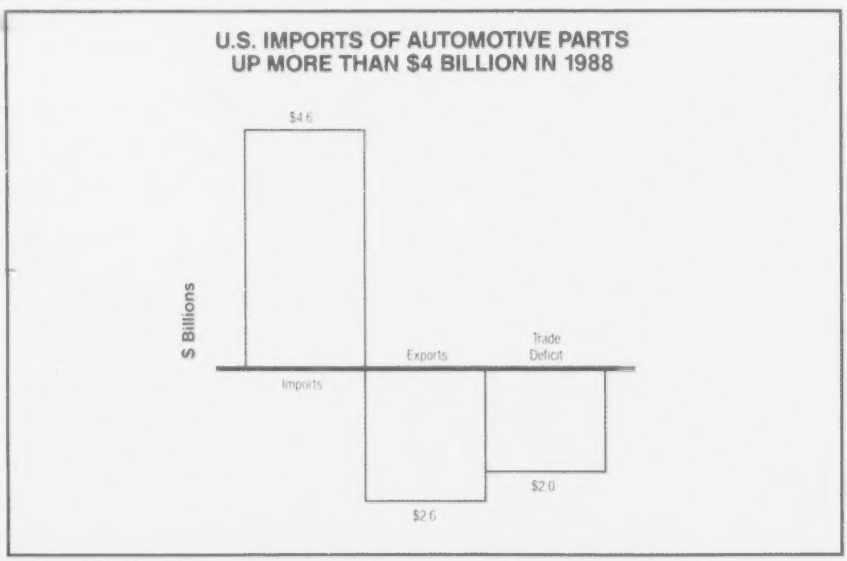
Source: JOBBER TOPICS Editorial.



1988 Increases in U.S. Exports of Auto Parts.

During 1988, exports of auto parts by U.S. manufacturers increased 18% over 1987 levels. In percentage growth, France accounted for the largest surge in U.S. exports of automotive parts, 97%, followed by a 61% rise in U.S. exports of automotive products to Japan. Four countries represented a secondary tier of percentage growth in U.S. exports of automotive products: United Kingdom, 38%; West Germany, 29%; Mexico, 28%; and Taiwan, 27%. Belgium ranked seventh in percentage growth of U.S. exports of automotive products, 20%; followed by Brazil, 13%; Canada, 12%; with South Korea representing only a 2% increase.

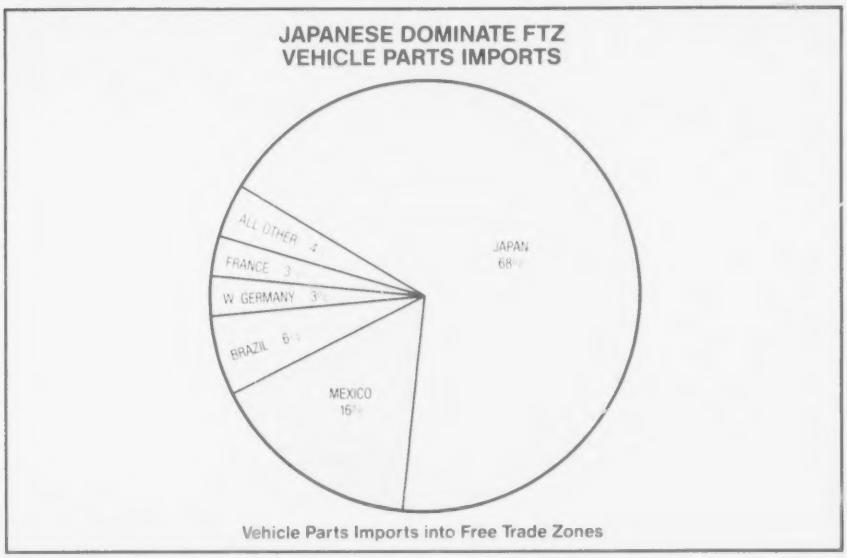
Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.



U.S. Imports of Automotive Parts Up More than $4 Billion in 1988.

While exports of U.S. auto parts grew approximately $2.6 billion in 1988, U.S. imports of auto parts increased by nearly twice this amount, $4.6 billion, during the same year. Overall, U.S. imports of auto parts climbed 15% in 1988 compared to 1987. As a result, the U.S. trade deficit in auto parts ballooned approximately $2.0 billion in 1988.

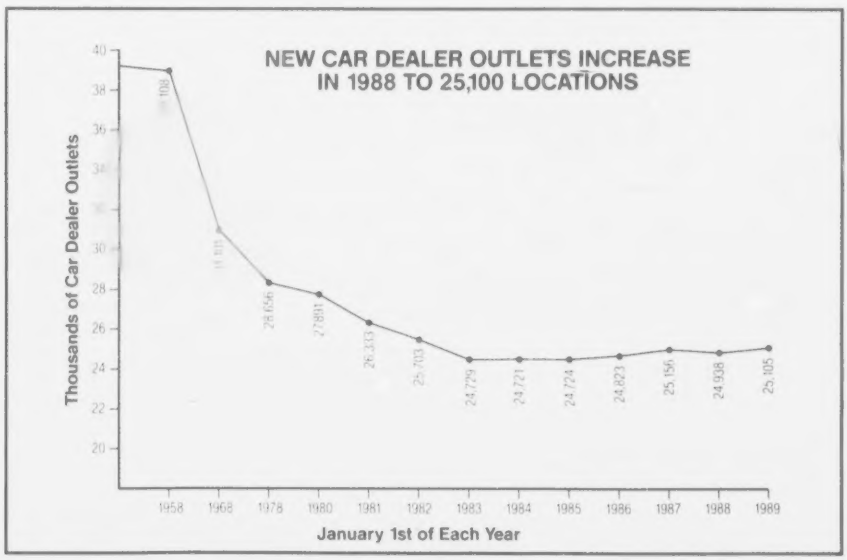
Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.



Japanese Dominate FTZ Vehicle Parts Imports.

During 1988, $5.4 billion of automotive products entered the U.S. through Free Trade Zones (FTZ), a 17% increase over FTZ imports during 1987. Between 1981 and 1988 the number of auto assembly plants in FTZ manufacturing sub zones has grown from one to 30. Auto manufacturing now accounts for an estimated 85% of all goods received in Free Trade Zones.

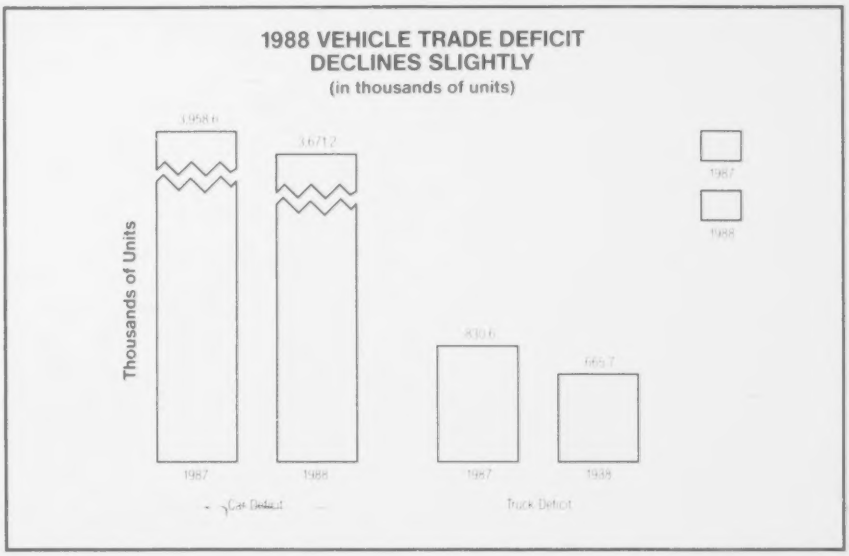
Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.



New Car Dealer Outlets Increase to 25,100 Locations in 1989.

During the 1980s, the number of new car dealers in the U.S. has declined approximately 10%, from 27,891 outlets in 1980 to 25,105 business sites in 1989. Since 1983, the number of car dealerships has remained relatively constant, varying from 24,729 outlets to a high of 25,156 locations in 1987. These numbers are a far cry from the 39,108 car dealerships operating in 1958.

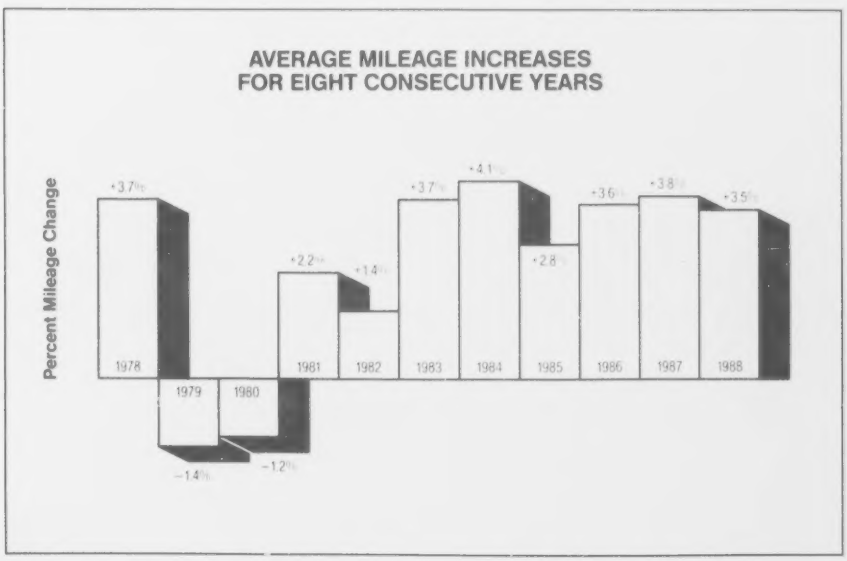
Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.



1988 Vehicle Trade Deficit Declines Slightly.

While the U.S. suffered a substantial increase in its 1988 auto parts trade deficit, the number and dollar value of the U.S. vehicle trade deficit declined slightly in 1988 compared to 1987.

Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.



Annual Mileage Increases for Eighth Consecutive Year.

During 1988, miles driven on U.S. roads by all vehicles for commercial and private purposes increased 3.5% over 1987. This is the eighth consecutive year in which Americans have increased their driving activity. The 3.5% increase for 1988 is the fifth highest annual percentage growth over the past 10 years. In 1987, annual driving on U.S. roads increased 3.8% compared to 3.6% in 1986 and a 2.8% jump in mileage during 1985.

Source: *Market Analysis* Volume XI, No. 2, May 1989, published by the Motor & Equipment Manufacturers Assn.

Financial Ratios For ASIA's Median Wholesaler

FINANCIAL RATIOS	All Firms
Current Ratio	3.0
Quick Ratio	0.9
Cash to Current Liabilities	16.7%
Accounts Payable to Inventory	31.5%
Accounts Payable Payout Period (days)	32.0
Debt to Equity	0.8
EBIT to Total Assets	5.3%
Times Interest Earned	2.6

Source: 1988 Edition of Cost of Doing Business Analysis For Automotive Wholesalers, published by the Automotive Service Industry Assn.

Certified Mechanics By Type of Employer

	Number of Certified Technicians	Percent of Total Certified
Domestic Dealerships	77,393	32.84
Import Dealerships	26,072	11.06
Service Stations	21,243	9.01
Independent Garages	28,999	12.31
Specialty Shops	8,743	3.71
Tire Dealers	22,114	9.38
Volume Retailers	3,723	1.59
Fleets (private)	9,619	4.08
Other	37,754	16.02
TOTAL	235,660	100.%

Source: The National Institute for Automotive Service Excellence. Figures represent technicians currently certified through fall of 1988 testing.

ASE Testing and Certifying of Mechanics (1972-1988)

Total Registered, excluding repeaters	598,520
Total Actually Taking Tests, excluding repeaters	494,338
Total Passing Tests, including expired certifications	433,878
Total Currently Certified, excluding expired certifications (Net)	235,660
—Total Currently Certified in either all automotive or all truck areas	56,670
—Total Currently Certified in all auto and all truck	2,599
(Total also Currently Certified in Body Repair and Painting and Refinishing—all 16 areas)	689
Number of Regular Tests Taken	2,779,974
Number of Regular Tests Passed	1,800,732
Number of Recertification Tests Passed	449,914

Source: The National Institute for Automotive Service Excellence.

How ASIA's Heavy Duty Distributors Measured Up in Sales, Profits, Etc.

Figures Apply to 1987

	All Firms
TYPICAL SALES VOLUME ($1,000's)	$3,846,809
SALES GROWTH (1987 vs. 1986)	4.9%
NET SALES BY PROFIT CENTER	
Merchandise & Parts Sales	95.8%
Machine Shop Labor Sales	0.0
Drive-in Shop Labor Sales	4.2
Total Net Sales	100.0%
GROSS MARGIN BY PROFIT CENTER	
Merchandise & Parts Gross Margin	34.0%
Machine Shop Labor Gross Margin	39.5%
Drive-in Shop Gross Margin	49.7%
Gross Margin from Total Net Sales	34.1%
INCOME STATEMENT	
Net Sales	100.0%
Cost of Goods Sold	65.9
Gross Margin	34.1%
Operating Expenses	
Non-Shop Salaries & Wages	15.6%
Machine Shop Operating Expenses	0.8
Drive-in Shop Operating Expenses	0.7
Other Operating Expenses	14.9
Total Operating Expenses	32.0%
Operating Profit	2.1
Other Income	0.7
Interest Expense	1.1
Other Expenses	0.0
Profit Before Taxes	1.7
Income Taxes	0.3
Profit After Taxes	1.5%

Source: 1988 Edition of *Cost of Doing Business Analysis for ASIA Heavy Duty Distributors*, published by the Automotive Service Industry Assn.

Productivity of People Working For ASIA Heavy Duty Distributors

	All Firms
EMPLOYEE PRODUCTIVITY	
Total Sales per Employee	$114,943
Merchandise & Parts Sales per Non-Shop Employee	$146,871
Merchandise & Parts Sales per Outside Sales Employee	$776,691
Machine Shop Sales per Machine Shop Employee	$ 31,107
Drive-in Shop Sales per Drive-in Shop Employee	$ 39,250
EXECUTIVE COMPENSATION	
Highest Paid Executive (Salary & Bonus)	$ 66,400
2nd Highest Paid Executive (Salary & Bonus)	$ 43,266
2nd Highest Paid Executive as a percent of the Highest Paid Executive	64.3%
Non-shop Salaries & Wages as a percent of Merchandise & Parts Sales	16.0%
Non-shop Salaries & Wages per Non-Shop Employee	$ 22,912
EMPLOYEES BY FUNCTION	
Machine Shop	2.0
Drive-in Shop	0.0
Outside Sales	4.0
Other Non-shop	27.0
Total Employees	33.0

Source: 1988 Edition of *Cost of Doing Business Analysis for ASIA Heavy Duty Distributors*, published by the Automotive Service Industry Assn.

Services Warehouse Distributors Provide for Their Jobbers

(Percent of Forum Survey Respondents)

	Program Group Members	Non-Members	All
Co-op advertising/promotion programs	92.1	46.2	58.3
(Wholesale)	73.7	34.0	44.4
(Retail)	63.2	21.7	32.6
Clinics	89.5	50.9	61.1
(For jobber dealer customers)	89.5	48.1	59.0
(For jobber DIY customers)	21.1	1.9	6.9
Computerized ordering	60.5	28.3	36.8
Delivery service	94.7	75.5	80.6
(Daily)	84.2	56.6	63.9
(Weekly)	10.5	20.8	18.1
(Other)	13.2	1.9	11.1
Display units, gondolas	73.7	28.3	40.3
Financial assistance	63.2	26.4	36.1
Inventory control assistance	79.0	52.8	59.7
Management assistance/counseling	76.3	34.0	45.1
Obsolescence protection	94.7	67.9	75.0
Point-of-sale materials	81.6	57.6	63.9
Private branding	84.2	20.8	37.5
Repair manuals	60.5	19.8	30.6
Signage, inside/outside	81.6	24.5	39.6
Store layout assistance	65.8	20.8	32.6
Training programs	71.1	34.0	43.8
(For jobber outside sales personnel)	44.7	19.8	26.4
(For jobber counter personnel)	63.2	30.2	38.9

Source: Forum Survey Report on WD Marketing Practices, published in August 1986 JOBBER TOPICS.

U.S.-Canadian Trade in Automotive Products, 1987-1988

Canada Imports From U.S. ($000,000)

	1987[1]	1988[1]	Percent Change
Cars	$ 6,357	$ 6,334	– 0.4
Trucks	2,386	2,224	– 6.8
Parts	12,102	11,764	– 0.8
Tires & Tubes	493	268	22.4
TOTAL	23,572	20,590	– 1.1

U.S. Imports From Canada ($000,000)

Cars	$ 9,436	$12,371	31.1
Trucks	5,020	5,366	6.9
Parts	8,623	8,545	– 0.9
Tires & Tubes	493	381	–22.7
TOTAL	23,572	26,663	– 13.1

Balance ($000,000)

Cars	$ 3,079	$ 6,037	96.1
Trucks	2,634	3,142	19.2
Parts	–3,479	–3,219	– 7.7
Tires & Tubes	274	113	–58.8
TOTAL	2,508	6,073	142.1

Source: Statistics Canada. [1]Figures for 1987 and 1988 are for the first nine months.

Automotive Wholesaler Failures

Year	Number	Liabilities	Year	Number	Liabilities
1946	1	$ 47,000	1968	72	$8,411,000
1947	17	456,000	1969	49	7,383,000
1948	26	892,000	1970	61	4,617,000
1949	44	1,150,000	1971	59	8,478,000
1950	55	1,083,000	1972	46	4,452,000
1951	23	330,000	1973	55	10,295,000
1952	22	529,000	1974	60	7,024,000
1953	28	1,010,000	1975	65	12,122,000
1954	39	1,015,000	1976	57	30,272,000
1955	53	1,523,000	1977	48	27,849,000
1956	41	2,699,000	1978	43	6,270,000
1957	45	1,470,000	1979	48	51,445,000
1958	42	1,275,000	1980	109	47,730,000
1959	50	1,744,000	1981	112	29,682,000
1960	77	4,191,000	1982	138	74,386,000
1961	89	3,744,000	1983	183	59,151,000
1962	80	4,696,000	1984	241	33,319,000
1963	74	3,917,000	1985	272	64,710,000
1964	94	3,452,000	1986	303	119,104,460
1965	84	4,488,000	1987	245	194,130,445
1966	98	5,632,000	1988	247[1]	42,164,452[1]
1967	91	9,211,000			

Source: Economic Analysis Dept., Dun & Bradstreet Corp. [1]Preliminary figures.

Canadian Wholesalers Business Conditions Survey

Division	Number Of Stores Dec. 88	Avg. Sales Per Store December	% Change Previous December	Sales Y.T.D. 1987	Sales Y.T.D. 1988	Avg. Sales Per Store Y.T.D. 1988	% Change Sales YTD 1988/1987
British Columbia	60	$ 92,257	6.1	$ 75,228,051	$ 79,390,074	$1,323,168	5.5
Alberta	18	86,555	2.9	19,562,495	21,651,864	1,202,881	10.7
Saskatchewan	17	82,349	-8.3	18,567,488	19,332,186	1,137,187	4.1
Manitoba	4	95,181	52.1	2,412,602	2,597,760	649,440	7.7
Ontario— 1 to 2 stores	16	86,987	6.3	16,191,292	17,759,303	1,109,956	9.7
Ontario— 3 or more stores	88	84,021	-5.4	90,656,616	104,157,397	1,183,607	14.9
Ontario—Total	104	84,478	-3.7	106,847,908	121,916,700	1,172,276	14.1
Quebec— 1 to 2 stores	15	181,645	18.4	31,807,129	35,986,169	2,399,078	13.1
Quebec— 3 or more stores	91	110,259	3.4	121,608,980	127,900,908	1,405,504	5.2
Quebec—Total	106	120,361	6.3	153,416,109	163,887,077	1,546,105	6.8
Atlantic	37	85,664	14.7	35,804,950	42,263,046	1,142,244	18.0
Total	346	97,074	3.7	411,839,603	451,038,707	1,303,580	9.5
1 to 2 stores— Independents	63	104,271	13.4	77,726,127	83,953,449	1,332,594	8.0
3 or more stores— Larger Chains	283	95,472	1.6	334,113,476	367,085,258	1,297,121	9.9

For the year ending December 1988 average Wholesaler component sales in Canada were up 9.5 per cent from 1987 figures. Average sales per store were highest in Quebec at 2.3 million dollars per store. British Columbia and Alberta followed with 1.3 and 1.2 million dollars per store respectively. Annual sales growth was greatest in the Atlantic region at 18 per cent on average sales of 1.3 million dollars. Chain stores in Ontario reported an increase in average sales of 14.9 per cent on average sales of 1.1 million dollars.

Source: Statistics Canada.

What It Costs to Own, Operate Average Car in 1988

Figures Based on Composite Costs*
Cost Per Mile

Cost Item	1988
Gasoline and oil	5.3 cents
Tires	.8 cents
Maintenance	1.9 cents

Fixed Costs Per Year

Comprehensive insurance ($100 deductible)	$ 102.00
Collision insurance ($250 deductible)	$ 234.00
Property damage and liability ($100/300/50M)	$ 309.00
License, registration, taxes	$ 144.00
Depreciation	$2,018.00
Finance charge (20% down, 11.0% for 4 years)	$ 588.00
TOTAL COST PER MILE	30.6 cents
TOTAL COST PER YEAR	$4,595.00

Source: American Automobile Association. The AAA study used cars that were equipped with standard and optional accessories, automatic transmission, power steering, power disc brakes, AM/FM stereo, cruise control and rear window defogger. Gasoline costs were based on a $1.081-per-gallon charge for regular unleaded fuel. Insurance figures in the study were based on personal use of vehicles; cars were driven less than 10 miles to or from work, with no young drivers. Normal depreciation costs were based on the car's trade-in value at the end of four years or at 60,000 miles. For cars driven 10,000 miles per year, depreciation costs were based on six years or 60,000. *The costs for operating a Ford Escort, Chevrolet Celebrity and Chevrolet Caprice were averaged to arrive at these figures.

Latest Financial Rankings of

Automobile Parts—Miscellaneous

Figures Apply to 1988 With Certain Exceptions, As Noted

RANK	COMPANY	REVENUES ($ MILL.) '88 AMT
1	Echlin, Inc.	1,294.30
2	Federal-Mogul Corp.	1,176.90
3	SPX Corp.	877.70
4	Intermark, Inc.	573.40[1]
5	Bearings, Inc.	542.90[1]
6	Standard Products Co.	508.30[1]
7	Standard Motor Products	398.40
8	Modine Manufacturing Co.	395.20[1]
9	Lamson & Sessions Co.	388.20
10	Allen Group, Inc.	344.40
11	Douglas & Lomason Co.	325.50
12	Audiovox Corp.	320.20
13	Wynn's International, Inc.	312.90[1]
14	Kysor Industrial Corp.	239.00
15	Neoax, Inc.	218.00[1]
16	Simpson Industries, Inc.	177.80
17	LSB Industries, Inc.	169.60[1]
18	Superior Industries	169.50[1]
19	Twin Disc, Inc.	162.40[1]
20	Trico Products Corp.	156.20[1]
21	Larizza Industries, Inc.	149.00
22	Raytech Corp.	132.50[1]
23	Champion Parts	129.50
24	Cascade Corp.	117.00[1]
25	Arrow Automotive	106.50[1]
26	Republic Automotive	85.00
27	Hastings Manufacturing	66.50
28	Redlaw Industries, Inc.	59.70
29	Howell Industries, Inc.	53.00
30	Valley Forge Corp.	29.40[1]

RANK	COMPANY	NET INCOME ($ MILL.) '88 AMT
1	Echlin, Inc.	62.10
2	SPX Corp.	44.90
3	Federal-Mogul Corp.	43.40
4	Standard Products Co.	34.10[1]
5	Lamson & Sessions Co.	26.90
6	Modine Manufacturing Co.	25.00[1]
7	Bearings, Inc.	17.00[1]
8	Intermark, Inc.	13.40[1]
9	Neoax, Inc.	10.60[1]
10	Simpson Industries, Inc.	10.50
11	Kysor Industries Corp.	10.40
12	Superior Industries	9.50[1]
13	Standard Motor Products	9.30
14	Twin Disc, Inc.	8.30[1]
15	Cascade Corp.	7.20[1]
16	Raytech Corp.	5.20[1]
17	Howell Industries, Inc.	4.00
18	Redlaw Industries, Inc.	3.90
19	Allen Group, Inc.	3.40
20	Larizza Industries, Inc.	2.70
21	Wynn's International, Inc.	1.80[1]
22	Champion Parts	1.50
23	Valley Forge Corp.	1.20[1]
24	Hastings Manufacturing	0.50
25	Audiovox Corp.	0.30
26	Republic Automotiveing	d0.20
27	Arrow Automotive	d0.70[1]
28	LSB Industries, Inc.	d1.70[1]
29	Douglas & Lomason Co.	d4.60
30	Trico Products Corp.	d16.00[1]

Automobile Parts—Major

RANK	COMPANY	REVENUES ($ MILL.) '88 AMT
1	Dana Corp.	4,895.60
2	Eaton Corp.	3,468.50
3	Cummins Engine Co., Inc.	3,310.10
4	Genuine Parts Co.	2,942.00
5	Trinova Corp.	1,918.60
6	Timken Co.	1,554.10
7	Arvin Industries, Inc.	1,313.30
8	Smith (A.O.) Corp.	970.40[1]
9	Champion Spark Plug Co.	738.00
10	Barnes Group, Inc.	496.10
11	Acklands Ltd.	316.00[1]
12	Walbro Corp.	131.70
13	Mr. Gasket Co.	119.30[1]
14	Defiance Precision	13.40[1]

RANK	COMPANY	NET INCOME ($ MILL.) '88 AMT
1	Eaton Corp.	227.70
2	Genuine Parts Co.	181.40
3	Dana Corp.	162.20
4	Trinova Corp.	87.80
5	Timken Co.	65.90
6	Champion Spark Plug Co.	22.10
7	Barnes Group, Inc.	18.80
8	Arvin Industries, Inc.	16.50
9	Smith (A.O.) Corp.	15.50[1]
10	Walbro Corp.	5.90
11	Acklands Ltd.	2.90[1]
12	Mr. Gasket Co.	2.80[1]
13	Defiance Precision	1.20[1]
14	Cummins Engine Co., Inc.	d63.40

Note: Figures preceded by the letter d denote deficit.

Publicly-Owned Automotive Firms

Automobile Parts—Miscellaneous

Figures Apply to 1987 With Certain Exceptions, As Noted

OPERATING PROFIT MARGIN (%)

RANK	COMPANY	'87 AMT
1	Larizza Industries, Inc.	14.30
2	Valley Forge Corp.	11.60
3	Cascade Corp.	11.50
4	Modine Manufacturing Co.	11.00
4	Standard Products Co.	11.00
6	Howell Industries, Inc.	10.70[2]
7	SPX Corp.	10.50
8	Kysor Industrial Corp.	10.20
9	Superior Industries	9.50
10	Standard Motor Products	9.10
11	Neoax, Inc.	8.90
12	Intermark, Inc.	8.60
13	Federal-Mogul Corp.	8.10
14	Sampson Industries, Inc.	7.50
15	Echlin, Inc.	7.40[2]
16	Twin Disc, Inc.	7.30
17	Lamson & Sessions Co.	6.00
18	Audiovox Corp.	5.90
19	Champion Parts	5.70
20	Allen Group, Inc.	5.30[2]
21	Raytech Corp.	4.90
22	Bearings, Inc.	4.60
23	Hastings Manufacturing	3.70[2]
24	Wynn's International, Inc.	2.90
25	LSB Industries, Inc.	2.60
25	Redlaw Industries, Inc.	2.60[2]
27	Republic Automotive	0.40
28	Arrow Automotive	0.30
29	Douglas & Lomason Co.	—
29	Trico Products Corp.	—
	Average	6.70

RETURN ON CAPITAL (%)

RANK	COMPANY	'87 AMT
1	Howell Industries, Inc.	21.34[2]
2	Larizza Industries, Inc.	21.00
3	Standard Products Co.	19.68
4	Kysor Industrial Corp.	14.52
5	Raytech Corp.	13.20
6	Bearings, Inc.	12.76
7	Modine Manufacturing Co.	11.97
8	Radlaw Industries, Inc.	11.25[2]
9	Cascade Corp.	11.09
10	Superior Industries	10.65
11	Twin Disc, Inc.	10.25
12	Audiovox Corp.	9.62
13	Echlin, Inc.	7.91[2]
14	Standard Motor Products	7.90
15	Federal-Mogul Corp.	7.77
16	Simpson Industries, Inc.	6.26
17	Lamson & Sessions Co.	6.15
18	SPX Corp.	5.91
19	Neoax, Inc.	5.61
20	Valley Forge Corp.	4.92
21	Intermark, Inc.	3.75
22	Allen Group, Inc.	1.74[2]
23	Hastings Manufacturing	1.65[2]
24	Champion Parts	1.60
25	Wynn's International, Inc.	1.39
26	Arrow Automotive.	—
26	Douglas & Lomason Co.	—
26	LSB Industries, Inc.	—
26	Republic Automotive	—
26	Trico Products Crop.	—
	Average	7.70

Automobile Parts—Major

OPERATING PROFIT MARGIN (%)

RANK	COMPANY	'88 AMT
1	Eaton Corp.	12.00[1]
2	Walbro Corp.	10.70
3	Genuine Parts Co.	9.90
4	Defiance Precision	9.30[1]
4	Mr. Gasket Co.	9.30[1]
6	Timken Co.	9.00
7	Barnes Group, Inc.	8.80
8	Trinova Corp.	8.70
9	Arvin Industries, Inc.	7.10[1]
10	Dana Corp.	7.00
11	Champion Spark Plug Co.	5.00[1]
12	Acklands Ltd.	3.30[1]
12	Smith (A.O.) Corp.	3.30[1]
14	Cummins Engine Co., Inc.	1.80
	Average	7.50

RETURN ON CAPITAL (%)

RANK	COMPANY	'88 AMT
1	Genuine Parts Co.	19.94
2	Eaton Corp.	9.52[1]
3	Trinova Corp.	8.81
4	Dana Corp.	8.44
5	Barnes Group, Inc.	8.43
6	Arvin Industries, Inc.	7.23[1]
7	Walbro Corp.	7.05
8	Timken Co.	5.43
9	Defiance Precision	4.29[1]
10	Champion Spark Plug Co.	3.70[1]
11	Smith (A.O.) Corp.	3.59[1]
13	Acklands Ltd.	2.89[1]
13	Mr. Gasket Co.	2.22[1]
14	Cummins Engine Co., Inc.	—
	Average	6.50

Source: Moody's Industry Review, published by Moody's Investors Service. [1]Figures apply to 1987. [2]Figures apply to 1988.
Note: Figures preceded by the letter d denote deficit.

Scrappage of Motor Vehicles

(During One-Year Periods Ending June 30)

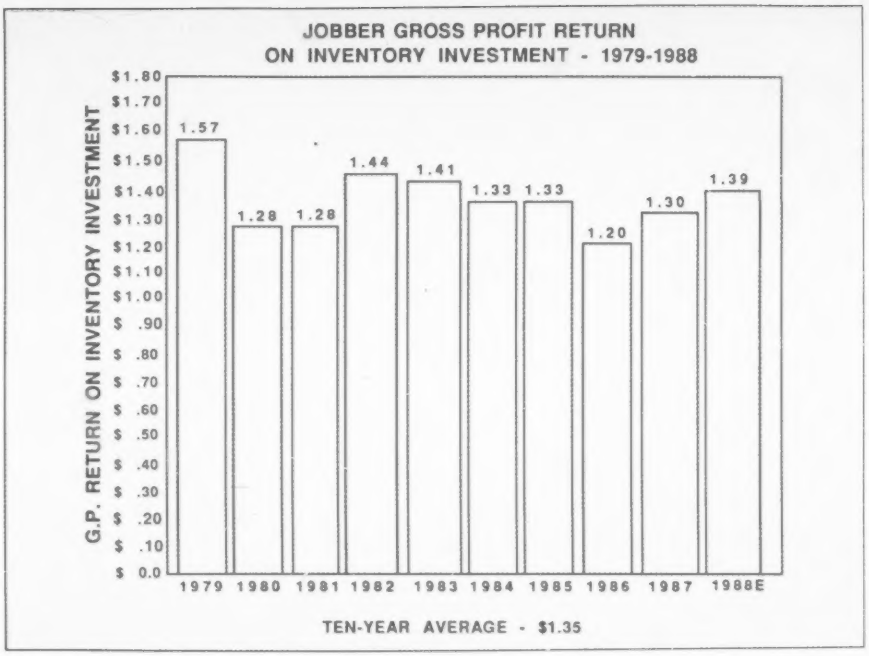
	Passenger Cars	Trucks	Cars & Trucks
July 1, 1946 – June 30, 1947	478,048	(36,328)	441,720
July 1, 1947 – June 30, 1948	855,517	307,660	1,163,177
July 1, 1948 – June 30, 1949	1,220,041	484,245	1,704,286
July 1, 1949 – June 30, 1950	2,313,813	517,054	2,830,867
July 1, 1950 – June 30, 1951	3,713,417	660,008	4,373,425
July 1, 1951 – June 30, 1952	3,137,989	531,835	3,669,824
July 1, 1952 – June 30, 1953	2,465,936	615,932	3,081,868
July 1, 1953 – June 30, 1954	3,491,000	780,513	4,271,513
July 1, 1954 – June 30, 1955	3,247,436	467,659	3,715,095
July 1, 1955 – June 30, 1956	4,312,759	596,257	4,909,016
July 1, 1956 – June 30, 1957	4,309,153	630,303	4,939,456
July 1, 1957 – June 30, 1958	4,221,607	502,245	4,723,852
July 1, 1958 – June 30, 1959	2,981,641	372,085	3,353,726
July 1, 1959 – June 30, 1960	4,348,719	690,568	5,039,287
July 1, 1960 – June 30, 1961	4,294,118	646,791	4,940,909
July 1, 1961 – June 30, 1962	4,360,774	575,903	4,936,677
July 1, 1962 – June 30, 1963	4,741,017	720,039	5,461,056
July 1, 1963 – June 30, 1964	5,319,286	779,870	6,099,156
July 1, 1964 – June 30, 1965	5,704,373	735,975	6,440,348
July 1, 1965 – June 30, 1966	6,173,512	1,073,593	7,247,105
July 1, 1966 – June 30, 1967	6,984,214	946,649	7,930,863
July 1, 1967 – June 30, 1968	6,200,017	860,542	7,060,559
July 1, 1968 – June 30, 1969	6,348,488	966,003	7,314,491
July 1, 1969 – June 30, 1970	7,460,984	837,173	8,298,157
July 1, 1970 – June 30, 1971	6,021,041	1,043,877	7,064,918
July 1, 1971 – June 30, 1972	7,058,029	1,048,031	8,106,060
July 1, 1972 – June 30, 1973	7,987,384	1,207,536	9,194,920
July 1, 1973 – June 30, 1974	7,193,679	1,047,207	8,240,886
July 1, 1974 – June 30, 1975	5,668,708	907,699	6,576,407
July 1, 1975 – June 30, 1976	6,828,903	1,097,457	7,926,360
July 1, 1976 – June 30, 1977	8,233,925	1,667,653	9,901,578
July 1, 1977 – June 30, 1978	7,907,075	1,426,294	9,333,369
July 1, 1978 – June 30, 1979	9,312,274	1,916,142	11,228,416
July 1, 1979 – June 30, 1980	8,404,993	1,731,670	10,136,663
July 1, 1980 – June 30, 1981	7,542,480	1,518,546	9,061,026
July 1, 1981 – June 30, 1982	6,921,273	1,458,795	8,380,068
July 1, 1982 – June 30, 1983	6,242,544	1,490,971	7,733,515
July 1, 1983 – June 30, 1984	6,674,928	1,601,889	8,276,817
July 1, 1984 – June 30, 1985	7,728,594	2,100,120	9,828,714
July 1, 1985 – June 30, 1986	8,442,465	2,309,090	10,751,555
July 1, 1986 – June 30, 1987	8,103,356	2,363,980	10,467,336
July 1, 1987 – June 30, 1988	8,754,185	2,250,532	11,004,717

Source: R. L. Polk & Co., Motor Statistical Division. Note: Adjustments for the absence of Oklahoma and other states have been made where applicable.

International Show 'Stats,' by Years

Year	Place	Exhibitors	Booths	Net Square Ft. (Booth Space)	Attendance Total
1933	Chicago	268	562	62,324	10,781
1934	Cleveland	336	798	72,261	13,348
1935	Atlantic City	350	850	92,400	12,761
1936	Chicago	357	915	98,632	13,476
1937	Chicago	380	1,012	110,095	13,045
1938	Chicago	355	947	103,412	15,526
1939	Chicago	351	961	108,413	13,366
1940	Chicago	352	969	117,331	12,925
1946	Atlantic City	430	1,169	126,888	13,712
1947	Chicago	486	1,327	171,978	19,888
1948	Chicago	520	1,444	178,510	19,534
1950	Chicago	522	1,385	172,463	17,067
1952	Atlantic City	460	1,275	143,148	14,049
1953[2]	Chicago	289	440	44,000	4,288
1954[3]	Chicago	478	984	111,978	12,880
1959	Chicago	459	1,004	118,404	21,614
1960	New York	487	1,143	119,066	34,087
1961	Los Angeles	511	1,157		44,309[4]
1962	Chicago	504	1,275	146,926	29,090
1963	Philadelphia	518	1,347	138,844	22,975
1964	San Francisco	579	1,415		53,165[4]
1965	Chicago	542	1,422	148,980	18,177
1966	New York	505	1,139	116,887	17,640
1967	Chicago	548	1,419	146,050	17,379
1968	Las Vegas	560	1,488		19,512
1969	Chicago	516	1,403	145,220	18,449
1970	Las Vegas	576	1,514	136,780	21,157
1971	Chicago	496	1,407	140,700	18,989
1972	Chicago	526	1,444	158,000	20,226
1973	Las Vegas	559	1,579	157,900	25,190
1974	Chicago	510	1,523	157,450	17,219
1975	Chicago	542	1,523	157,550	20,824
1976	San Francisco	560	1,525	152,500	21,795
1977	Chicago	579	1,643	165,200	20,958
1978	Chicago	646	[5]	193,650	23,877
1979	Las Vegas	746	2,016	201,600	28,237
1980	Chicago	684	[5]	201,880	23,156
1981	Chicago	659	[5]	191,000	23,765
1982	Las Vegas	756	2,035	203,500	27,480
1983	Chicago	639	1,921	192,130	30,572
1984	Chicago	705	[5]	201,950	32,822[6]
1985	Las Vegas	791	2,215	221,500	30,555
1986	Chicago	728	[5]	221,300	35,428
1987	Atlanta	801	[5]	233,050	25,329
1988	Las Vegas	761	2,303	230,300	30,761
1989	Chicago	684	[5]	205,750	29,733

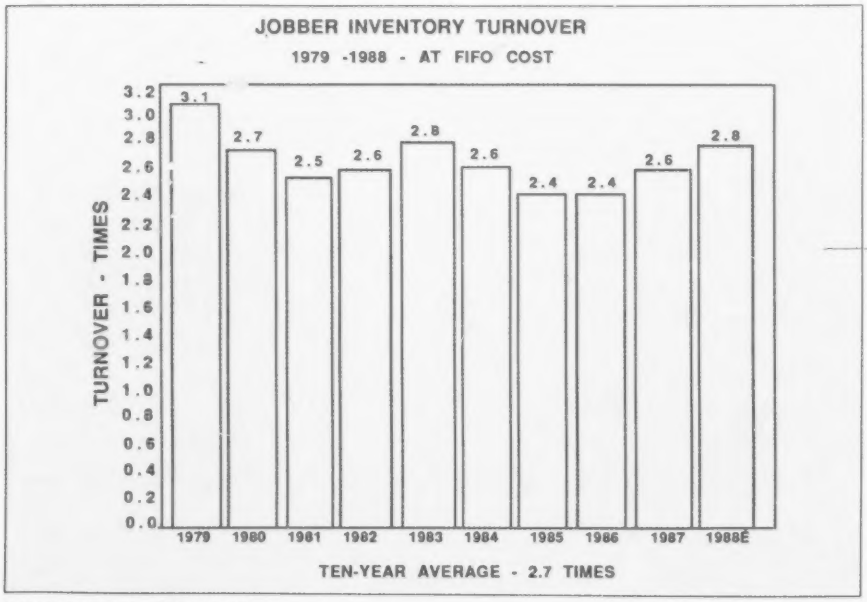
Sources: Hall-Erickson, Inc. and JOBBER TOPICS. [1]The exhibit is commonly called the Big "I" Show when staged in Chicago, but International Automotive Aftermarket Show when staged in Las Vegas or other western sites. When held in Las Vegas, the show is co-sponsored by ASIA and MEMA, presented by PAS. [2]Indicates booth conference only. [3]Indicates trade show plus booth conference. [4]Attendance figures for 1961 and 1964 are "turnstyle" counts, not an actual badge count. For years 1962 through 1983 the figure is a badge count. [5]Show officials discontinued reporting the number of show booths for the years indicated. [6]Attendance figure based on total registrations, not a badge count.



JOBBER GROSS PROFIT RETURN ON INVENTORY

As inventories grow more troublesome, improvements in turnover are an increasingly important factor in generating Gross Profit Return of Inventory Investment. For example, in 1979 GP averaged 32.4 percent, turnover was a record 3.1 turns, and GPROI reached $1.57. In contrast, in 1984 GP increased to 33.3 percent but turnover dropped to a low 2.4 turns pulling GPROI down to a low of $1.20. E: Estimated 1988 figures.

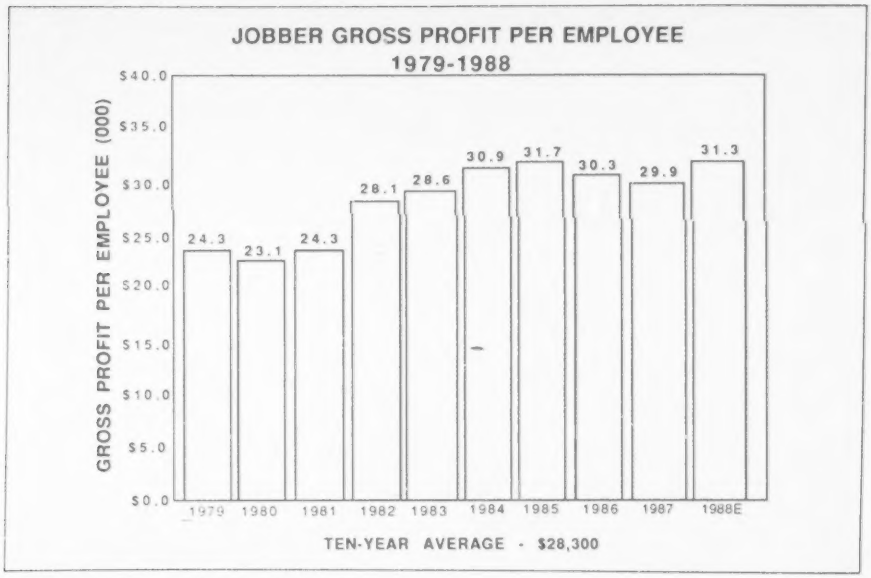
Source: Distributors Institute, Inc.



JOBBER INVENTORY TURNOVER

Jobber companies have not been able to reach the 3.0X level since 1979. However, there has been some improvement from the 2.4X low point in 1985 due, in a large measure, to the increase in the use of effective software at the store level. E: Estimated 1988 figures.

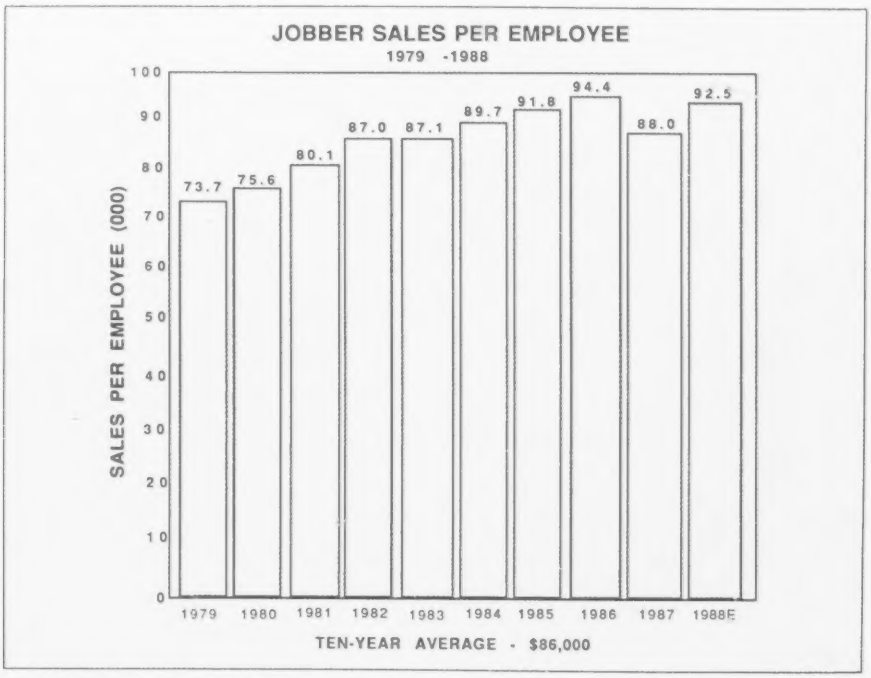
Source: Distributors Institute, Inc.



JOBBER GROSS PROFIT PER EMPLOYEE

Fierce competitive pricing plus added employees to meet service demands have held this key measurement in a narrow range in the last few years. E: Estimated 1988 figures.

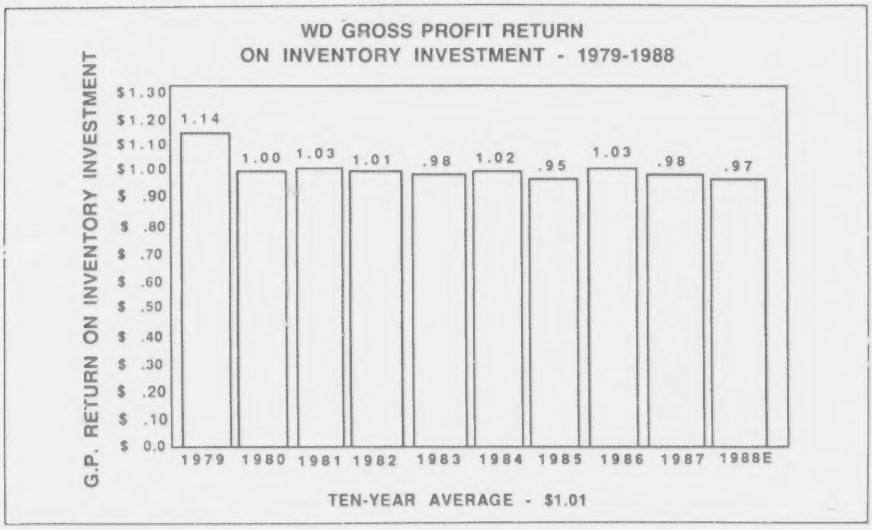
Source: Distributors Institute, Inc.



JOBBER SALES PER EMPLOYEE

Jobber sales grew 65 percent between 1979 and 1988 while Sales Per Employee increased only 25 percent. This is indicative of the problem jobber companies have had in exploiting growth. Demands for service continue to grow, particularly at counters serving DIY customers. E: Estimated 1988 figures.

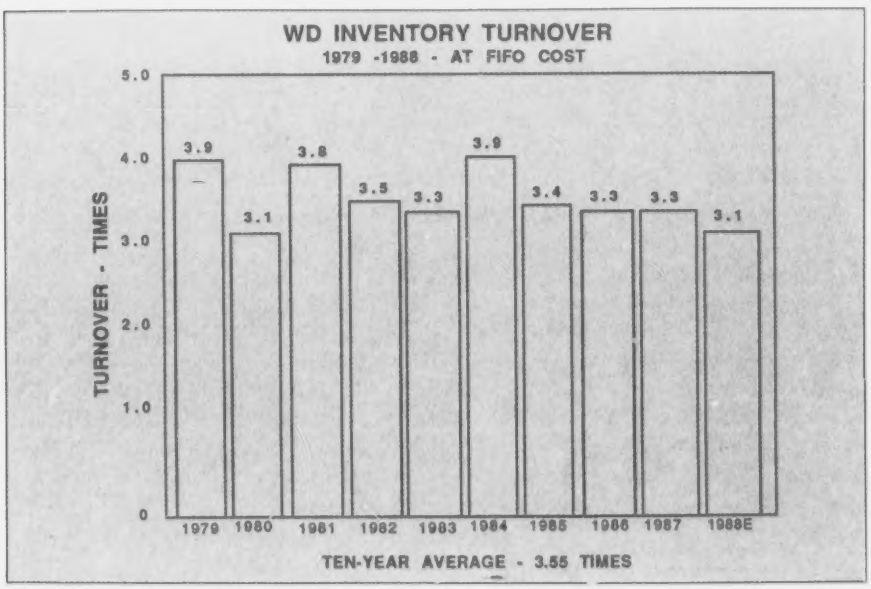
Source: Distributors Institute, Inc.



WD GROSS PROFIT RETURN ON INVENTORY

Except for an unusual 1979 result, the WD has had difficulty achieving $1.00 GP for each $1.00 of inventory. The Eighties have been the era of declining margins, increasing inventories and fewer turns. In the five years prior to 1979, the average GPROI was $1.19. E: Estimated 1988 figures.

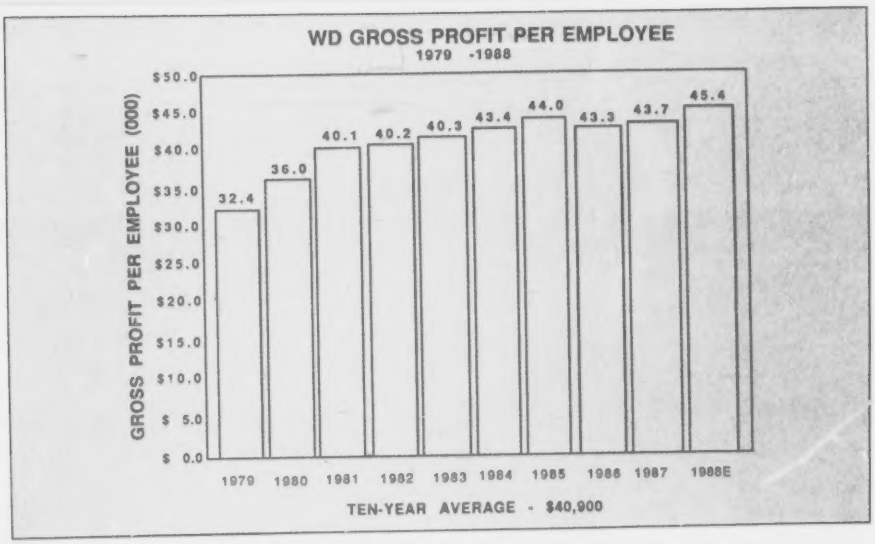
Source: Distributors Institute, Inc.



WD INVENTORY TURNOVER

The gradual downward trend in turnover is another sign of growing problems with inventory growth. Parts proliferation, aging of the vehicle mix, import coverage, etc., require more slow moving SKUs and lines to be stocked. Consequently, Inventory Management problems have been compounding despite vastly improved computerized control programs. E: Estimated 1988 figures.

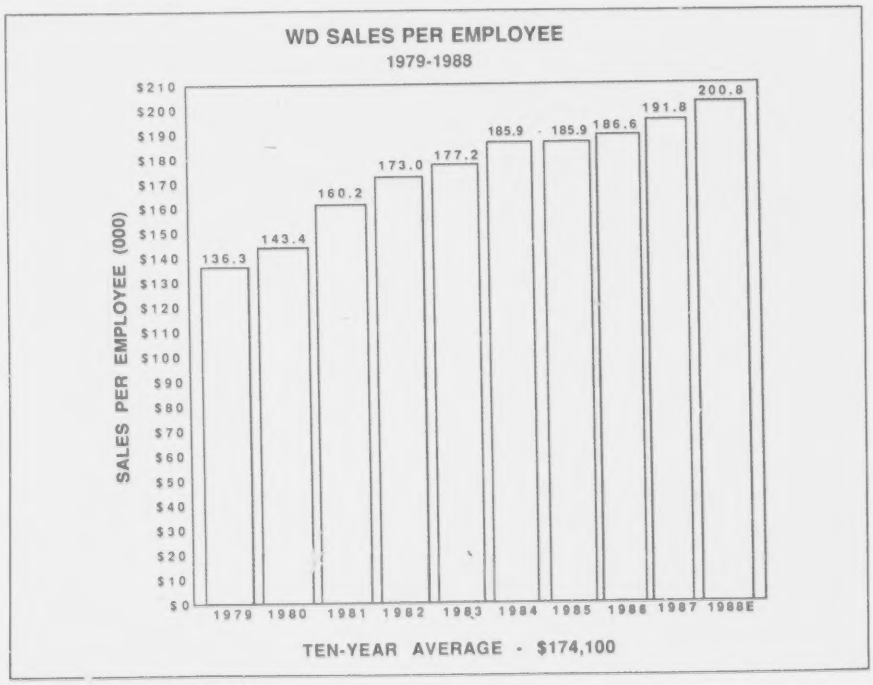
Source: Distributors Institute, Inc



WD GROSS PROFIT PER EMPLOYEE

The WD has increased sales 35 percent since 1980 but gross margin dollars rose only 29 percent because of competitive price pressures. At the same time, customer demands for service—delivery, availability, credit, obsolescence, etc.—did not decline. Employee levels have remained high to meet these demands; consequently, gross profit per employee has changed very little. E: Estimated 1988 figures.

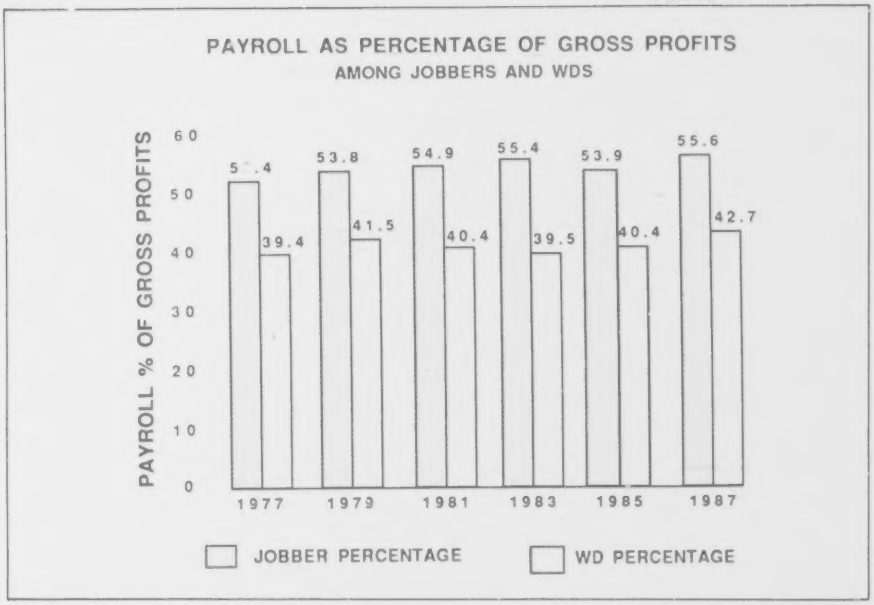
Source: Distributors Institute, Inc.



WD SALES PER EMPLOYEE

WD Sales Per Employee kept pace with percentage increases in sales dollars. Pricing pressures have placed many WDs in the position of handling more transactions at lower unit selling prices. The additional costs of the people needed to service increasing unit demand was not offset by an increase in sales dollars which would produce enough margin dollars to support those service levels and still make a profit E: Estimated 1988 figures.

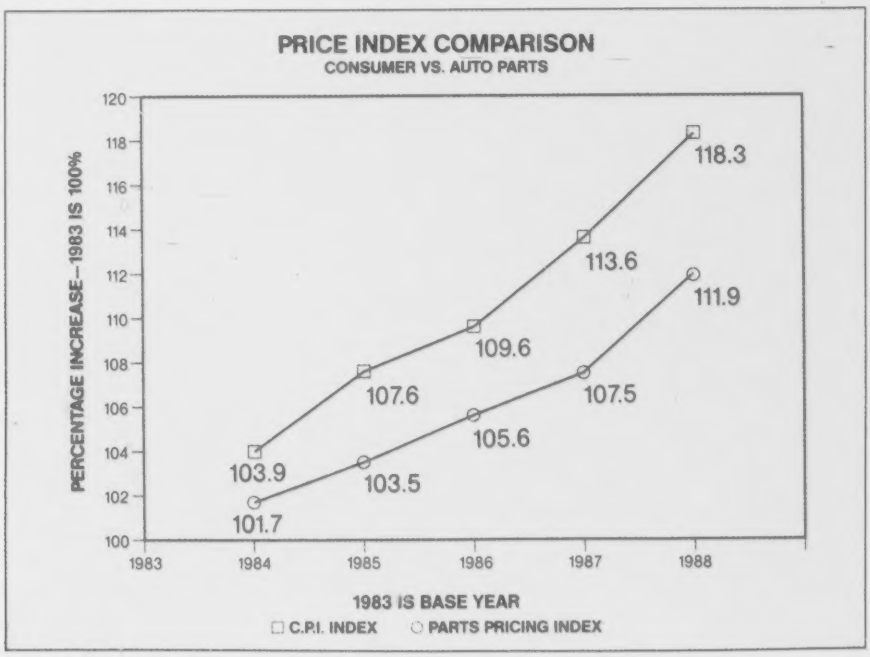
Source: Distributors Institute, Inc.



PAYROLL AS PERCENTAGE OF GROSS PROFIT

Both jobbers and WDs have kept labor costs controlled within historical ranges despite diminishing gross profits. Erosion of gross profits in 1985-1986-1987 is evident in the 2.3 point increase for the WD and 1.7 points for jobber companies although the average number of employees changed very little in those three years.

Source: Distributors Institute, Inc.



PRICE INDEX COMPARISON

Since 1983, the Consumer Price Index increased by 18.3% while prices on 110,000 auto parts rose only 11.9% due to competitive pressures. Every step in the distribution system has absorbed increases in basic operating costs—labor, utilities, insurance, taxes—which could not be recaptured because of low margin sales.

Source: Distributors Institute, Inc.

Warehouse Distributor/Jobber 10 Year Real Growth Analysis

	% Sales Change				Real Sales Growth		
	J/R	WD	All	Inflation	J/R	WD	All
1979	6.1	8.2	7.6	10.7	−4.6	−2.6	−3.1
	(106.1)	(108.2)	(107.6)	(110.7)	(95.4)	(97.4)	(96.9)
1980	3.5	2.5	2.5	11.0	−7.5	−8.5	−8.5
	(109.8)	(110.9)	(110.3)	(122.9)	(88.2)	(89.1)	(88.6)
1981	10.4	9.3	9.6	8.9	1.5	−0.4	0.7
	(121.2)	(121.2)	(120.9)	(133.8)	(89.6)	(88.1)	(89.3)
1982	5.7	5.6	5.6	5.0	0.7	0.6	0.6
	(128.1)	(128.0)	(127.7)	(140.5)	(90.2)	(89.3)	(89.8)
1983	2.1	4.1	3.8	2.2	−0.1	1.9	1.6
	(130.8)	(133.2)	(132.5)	(143.6)	(90.1)	(90.1)	(91.2)
1984	8.7	11.3	10.5	1.7	7.0	9.6	8.8
	(142.2)	(148.3)	(146.4)	(146.0)	(96.4)	(99.7)	(99.3)
1985	0.9	−0.1	0.2	1.8	−0.9	−1.9	−1.6
	(143.5)	(148.2)	(146.7)	(148.7)	(95.5)	(97.8)	(97.7)
1986	5.3	−2.5	0.0	2.0	3.3	−4.5	−1.9
	(151.1)	(144.4)	(146.7)	(151.7)	(98.6)	(93.4)	(95.8)
1987	5.3	−0.2	2.1	1.8	3.5	−2.0	0.3
	(159.1)	(144.1)	(149.8)	(154.4)	(102.0)	(91.5)	(96.1)
1988	3.5	3.3	3.4	4.1	0.6	−0.8	−0.7
	(164.7)	(148.8)	(154.9)	(160.7)	(101.4)	(90.8)	(96.8)
AVERAGE	5.1	3.8	4.5	4.9	0.2	−0.8	−0.4

KEY: Percent yearly change
(Compound change)

Source: Distributors Institute, Inc.

U.S. Battery Shipments by Year

Year	Replacement	Original Equipment	Total Number
1976	49,202,906	12,551,090	61,753,996
1977	54,600,707	14,717,697	69,318,404
1978	56,389,494	15,192,304	71,581,798
1979	53,746,314	14,389,748	68,136,062
1980	50,063,224	10,018,409	60,081,633
1981	53,597,906	10,005,102	63,603,008
1982	54,214,456	8,372,942	62,587,398
1983	56,104,752	10,822,900	66,927,652
1984	59,332,509	12,765,218	72,097,727
1985	58,683,589	13,466,528	72,150,117
1986	60,306,004	13,272,013	73,578,017
1987	59,877,656	13,082,078	72,959,734
1988	63,487,361	13,771,455	77,258,816

Source: Battery Council International.

Annual U.S. Motor Vehicle Production And Factory Sales

	Production			Factory Sales		
Year	Passenger Cars	Motor Trucks and Buses	Total Vehicles	Passenger Cars	Motor Trucks and Buses	Total Vehicles
1988	7,110,728	4,079,704	11,190,432	7,104,617	4,120,574	11,225,191
1987	7,098,910	3,825,776	10,924,686	7,085,147	3,821,410	10,906,557
1986	7,828,783	3,505,992	11,334,775	7,516,189	3,392,885	10,909,074
1985	8,184,821	3,467,922	11,652,743	8,002,259	3,356,905	11,359,164
1984	7,773,332	3,151,449	10,924,781	7,621,176	3,075,325	10,696,501
1983	6,781,184	2,443,637	9,224,821	6,739,223	2,413,897	9,153,120
1982	5,073,496	1,912,099	6,985,595	5,049,184	1,906,455	6,955,639
1981	6,253,138	1,689,778	7,942,916	6,255,340	1,700,908	7,956,248
1980	6,375,506	1,634,335	8,009,841	6,400,026	1,667,283	8,067,309
1979	8,433,662	3,046,331	11,479,993	8,419,226	3,036,706	11,455,932
1978	9,176,635	3,722,567	12,899,202	9,165,190	3,706,239	12,871,429
1977	9,213,654	3,489,128	12,702,782	9,200,849	3,441,521	12,642,370
1976	8,497,893	2,999,703	11,497,596	8,500,305	2,979,476	11,479,781
1975	6,716,951	2,269,562	8,986,513	6,712,852	2,272,160	8,985,012
1974	7,324,504	2,746,538	10,071,042	7,331,256	2,727,313	10,058,569
1973	9,667,152	3,014,361	12,681,513	9,657,647	2,979,688	12,637,335
1972	8,828,205	2,482,503	11,310,708	8,823,938	2,446,807	11,270,745
1971	8,583,653	2,088,001	10,671,654	8,584,592	2,053,146	10,637,738
1970	6,550,128	1,733,821	8,283,949	6,546,817	1,692,440	8,239,257
1969	8,224,392	1,981,519	10,205,911	8,223,715	1,923,179	10,146,894
1968	8,848,620	1,971,790	10,820,410	8,822,158	1,896,078	10,718,236
1967	7,412,659	1,611,077	9,023,736	7,436,764	1,539,462	8,976,226
1966	8,604,712	1,791,586	10,396,298	8,598,326	1,731,084	10,329,410
1965	9,335,227	1,802,603	11,137,830	9,305,561	1,751,805	11,057,366
1964	7,745,492	1,562,368	9,307,860	7,751,822	1,540,453	9,292,275
1963	7,644,377	1,464,399	9,108,776	7,637,728	1,462,708	9,100,436
1962	6,943,334	1,253,977	8,197,311	6,933,240	1,240,168	8,173,408
1961	5,522,019	1,130,919	6,652,938	5,542,707	1,133,804	6,676,511
1960	6,703,108	1,202,011	7,905,119	6,674,796	1,194,475	7,869,271
1959	5,599,492	1,124,096	6,723,588	5,591,243	1,137,386	6,728,629
1955	7,950,377	1,253,672	9,204,049	7,920,186	1,249,106	9,169,292
1950	6,628,598	1,377,261	8,005,859	6,665,863	1,337,193	8,003,056
1945	83,786	701,090	784,876	69,532	655,683	725,215
1940	3,728,491	784,404	4,512,895	3,717,385	754,901	4,472,286
1935	3,252,244	694,690	3,946,934	3,273,874	697,367	3,971,241
1930	2,784,745	571,241	3,355,986	2,787,456	575,364	3,362,820
1925	N.A.	N.A.	N.A.	3,735,171	530,659	4,265,830
1920	N.A.	N.A.	N.A.	1,905,560	321,789	2,227,349
1915	N.A.	N.A.	N.A.	895,930	74,000	969,930
1910	N.A.	N.A.	N.A.	181,000	6,000	187,000
1905	N.A.	N.A.	N.A.	24,250	750	25,000
1900	N.A.	N.A.	N.A.	4,192	N.A.	4,192

Source: Motor Vehicle Manufacturers Assn. of the U.S., Inc., and *Ward's Automotive Reports*. N.A.—Not available.

1987 Motor Bus Registration

	Private and Commercial		Publicly Owned			
	Commercial Buses[1]	School and Other[2]	Federal	School[3]	Total School Buses	Total Buses
Alabama	1,978	180	37	6,207	6,387	8,402
Alaska	1,172	531	68	277	808	2,048
Arizona	1,103	203	355	2,542	2,745	4,203
Arkansas	48	1,104	27	4,078	5,182	5,257
California	13,303	9,142	423	14,118	23,260	36,986
Colorado	675	842	40	4,022	4,864	5,579
Connecticut	2,458	5,493	11	682	6,175	8,644
Delaware	332	1,313	5	150	1,463	1,800
District of Columbia	2,329	154	222	100	254	2,805
Florida	3,553	1,130	188	29,974	31,104	34,845
Georgia	1,120	2,299	96	13,423	15,722	16,938
Hawaii	2,601	679	25	847	1,526	4,152
Idaho	797	397	143	2,029	2,426	3,366
Illinois	5,198	10,876	77	2,509	13,385	18,660
Indiana	3,958	4,667	50	10,593	15,260	19,268
Iowa	1,117	269	12	7,000	7,269	8,398
Kansas	376	1,162	12	2,282	3,444	3,832
Kentucky	1,145	728	144	7,695	8,423	9,712
Louisiana	793	14,130	22	4,503	18,633	19,448
Maine	171	436	11	2,103	2,539	2,721
Maryland	2,661	3,979	137	4,152	8,131	10,929
Massachusetts	3,611	7,100	75	345	7,445	11,131
Michigan	2,400	6,309	71	13,403	19,712	22,183
Minnesota	2,202	3,945	7	7,908	11,853	14,062
Mississippi	812	2,206	73	5,153	7,359	8,244
Missouri	1,034	2,899	33	6,148	9,047	10,114
Montana	352	673	19	820	1,493	1,864
Nebraska	483	575	9	3,448	4,023	4,515
Nevada	1,345	155	135	113	268	1,748
New Hampshire	362	1,003	2	278	1,281	1,645
New Jersey	5,030	8,107	59	3,005	11,112	16,201
New Mexico	531	2,013	287	551	2,564	3,382
New York	12,652	6,650	201	8,119	14,769	27,622
North Carolina	1,970	7,239	52	23,622	30,861	32,883
North Dakota	96	444	64	1,663	2,107	2,267
Ohio	7,936	3,237	76	20,287	23,524	31,536
Oklahoma	353	1,465	127	10,535	12,0[illegible]	12,480
Oregon	1,357	2,152	64	6,062	8,214	9,635
Pennsylvania	8,221	15,399	112	6,259	21,658	29,991
Rhode Island	290	1,289	5	6	1,295	1,590
South Carolina	910	3,817	31	8,875	12,692	13,633
South Dakota	316	393	115	1,195	1,588	2,019
Tennessee	1,771	1,370	68	8,869	10,239	12,078
Texas	3,119	12,342	228	43,336	55,678	59,025
Utah	322	75	37	714	789	1,148
Vermont	96	548	4	780	1,328	1,428
Virginia	2,371	243	210	12,653	12,896	15,477
Washington	766	2,066	178	4,982	7,048	7,992
West Virginia	915	66	41	2,688	2,754	3,710
Wisconsin	1,461	6,575	21	4,031	10,606	12,088
Wyoming	812	136	9	1,414	1,550	2,371
Total	110,784	160,205	4,518	326,548	486,753	602,055

Source: U.S. Department of Transportation, Federal Highway Administration, Table MV-10. [1]The numbers of private and commercial buses given here are estimates by the Federal Highway Administration of the numbers in use, rather than the registration counts of the states. [2]In some instances, church, industrial and other private buses are included here; and in other instances, privately-owned school buses could not be segregated from commercial buses, and are included with the latter. [3]This column consists primarily of publicly-owned school buses but includes a few privately-owned school, institutional and industrial buses registered free or at a reduced rate. Municipally-owned transit buses are included with commercial buses.

United States Motor Truck Registrations by State

State	Privately Owned[1] 1986	Privately Owned[1] 1987	Privately and Publicly Owned[2] 1986	Privately and Publicly Owned[2] 1987
Alabama	903,860	881,940	926,530	904,778
Alaska	125,989	122,281	134,027	130,212
Arizona	679,769	686,587	693,480	700,413
Arkansas	482,501	494,614	491,823	504,135
California	4,170,939	4,348,687	4,359,648	4,542,095
Colorado	720,387	785,609	741,460	806,834
Connecticut	131,989	135,011	151,369	154,904
Delaware	96,782	102,854	99,264	105,520
Florida	1,954,726	2,015,757	2,064,010	2,127,115
Georgia	1,283,162	1,374,780	1,317,816	1,411,918
Hawaii	79,177	76,673	83,171	81,784
Idaho	298,950	344,665	318,869	364,426
Illinois	1,316,374	1,379,729	1,339,619	1,401,383
Indiana	1,010,734	911,047	1,039,331	940,227
Iowa	714,000	731,375	735,211	754,105
Kansas	659,153	665,728	675,867	682,455
Kentucky	826,175	857,215	866,576	899,387
Louisiana	915,261	901,815	931,722	918,459
Maine	216,094	221,669	224,482	230,498
Maryland	558,845	561,079	576,433	578,745
Massachusetts	452,978	455,243	480,341	482,746
Michigan	1,324,363	1,376,678	1,388,441	1,441,387
Minnesota	661,526	670,078	681,582	691,569
Mississippi	396,207	393,883	411,402	407,780
Missouri	972,167	1,020,689	986,572	1,035,184
Montana	225,790	220,321	237,464	232,170
Nebraska	412,001	421,561	423,702	433,498
Nevada	199,575	209,554	211,566	221,609
New Hampshire	167,290	175,361	175,942	184,493
New Jersey	412,000	473,570	482,431	545,958
New Mexico	470,885	461,542	487,586	478,501
New York	1,111,041	1,154,789	1,162,423	1,203,935
North Carolina	1,198,832	1,297,981	1,245,190	1,345,681
North Dakota	257,331	256,874	265,431	264,945
Ohio	1,360,355	1,438,152	1,408,688	1,488,171
Oklahoma	979,438	909,726	1,012,884	943,881
Oregon	606,344	555,704	625,897	575,914
Pennsylvania	1,309,554	1,381,938	1,357,937	1,431,245
Rhode Island	93,737	103,547	98,592	108,466
South Carolina	534,759	550,283	553,811	569,667
South Dakota	242,218	251,150	253,291	262,206
Tennessee	784,895	783,917	822,248	819,882
Texas	3,673,375	3,658,414	3,851,276	3,841,106
Utah	348,839	347,833	359,859	359,031
Vermont	99,143	107,114	103,106	111,103
Virginia	880,057	970,276	906,736	998,259
Washington	1,100,903	1,084,745	1,133,582	1,118,075
West Virginia	320,297	333,301	355,756	369,248
Wisconsin	676,903	671,483	710,480	705,657
Wyoming	178,865	185,461	187,037	193,778
District of Columbia	9,672	9,321	14,538	14,224
TOTAL	38,606,207	39,529,604	40,166,499	41,118,762

Source: U.S. Department of Transportation, Federal Highway Administration, Table MV-1. [1]Excludes farm trucks registered in certain states and restricted to use in vicinity of owner's farm. There were 63,910 such trucks in the 1987 count. [2]Includes federal, state, county and municipal vehicles; excludes vehicles owned by military services. Note: Registrations shown here are not synonymous with vehicles in use since the latter implies a count of vehicles in operation on a specific date or an average for a period of time, while registrations are a count of transactions (with transfers eliminated) during a specified period.

Trailer, Truck Tractor and Light Truck Registration

	Private and Commercial Trailers[1]					
	Commercial Trailers[2]	Light Farm & Car Trailers[3]	House Trailers[4]	Total Trailers	Truck Tractors[5]	Light Trucks[5]
Alabama	48,915	38,277	51,651	138,843	33,217	802,219
Alaska	9,392	40,494	—	49,886	2,211	113,812
Arizona	45,643	121,025	58,286	224,954	8,348	659,660
Arkansas	41,873	251,613	14,581	308,067	14,914	444,078
California	543,669	745,793	408,970	1,698,432	66,112	3,455,220
Colorado	56,445	167,775	70,071	294,291	8,971	698,397
Connecticut	25,962	135,735	—	161,697	4,481	120,439
Delaware	15,077	25,229	—	40,306	5,626	88,373
District of Columbia	91	978	—	1,069	133	8,081
Florida	124,804	843,376	—	968,180	51,282	1,685,627
Georgia	78,520	329,112	23,228	430,860	47,118	1,245,442
Hawaii	3,363	15,064	—	18,427	1,022	71,611
Idaho	16,496	95,002	31,163	142,661	7,818	308,331
Illinois	93,756	324,542	86,062	504,360	51,016	1,240,742
Indiana	73,554	220,303	59,057	352,914	41,028	733,924
Iowa	53,219	190,981	63,500	307,700	42,450	551,900
Kansas	67,153	19,396	15,259	101,808	17,754	546,674
Kentucky	38,550	25,218	26,812	90,580	21,196	772,059
Louisiana	208,789	195,006	9,838	413,633	17,334	848,215
Maine	432,549	108,703	—	541,252	5,446	192,511
Maryland	17,392	163,768	—	181,160	14,315	500,884
Massachusetts	24,766	189,243	—	214,009	12,383	402,058
Michigan	83,433	631,806	100,587	815,826	49,987	1,155,452
Minnesota	93,007	445,069	75,365	613,441	17,052	509,070
Mississippi	25,237	56,547	8,335	90,119	7,751	345,502
Missouri	62,595	372,904	—	435,499	29,939	906,300
Montana	2,055	69,504	30,965	102,524	8,616	187,950
Nebraska	37,912	151,509	—	189,421	19,196	329,795
Nevada	4,602	61,423	25,132	91,157	2,565	199,534
New Hampshire	11,330	70,614	—	81,944	5,821	154,493
New Jersey	50,099	184,511	—	234,610	26,142	398,987
New Mexico	38,596	39,904	51,403	129,903	11,669	431,451
New York	41,189	471,007	—	512,196	31,442	1,015,678
North Carolina	79,242	385,532	5,353	470,127	51,782	1,127,742
North Dakota	16,943	20,241	15,568	52,752	7,800	191,165
Ohio	153,062	306,201	104,939	564,202	45,503	1,251,780
Oklahoma	55,010	49,879	5,833	110,722	13,561	808,337
Oregon	46,050	157,190	120,212	323,452	19,785	466,203
Pennsylvania	94,160	292,558	146,686	533,404	45,670	1,102,379
Rhode Island	6,716	30,011	—	36,727	3,621	90,922
South Carolina	29,171	24,837	118	54,126	11,147	511,799
South Dakota	22,404	69,862	21,428	113,694	8,024	222,921
Tennessee	34,626	22,076	75	56,777	31,823	724,456
Texas	186,662	1,140,352	—	1,327,014	119,655	3,375,523
Utah	10,849	56,238	38,913	106,000	8,985	317,749
Vermont	2,420	49,141	—	51,561	1,524	97,346
Virginia	66,475	136,182	58,228	260,885	29,657	862,143
Washington	132,218	300,522	88,052	520,792	24,040	965,543
West Virginia	16,669	34,428	22,340	73,437	4,341	309,465
Wisconsin	53,293	2,328	30,280	85,901	20,427	585,346
Wyoming	8,164	70,507	19,824	98,495	3,194	149,629
Total	3,484,167	9,949,516	1,888,114	15,321,797	1,134,894	34,285,917

Source: U.S. Department of Transportation, Federal Highway Administration, Tables MV-9 and MV-11. [1]The completeness of data on trailer registrations varies greatly. Data are reported to the extent available. [2]Includes all commercial type trailers and semitrailers that are in private or for-hire use. [3]Several states do not require the registration of light farm or automobile trailers. [4]Mobile homes and house trailers are shown in this column for states which require them to be registered and are able to segregate them from other trailers. In states where this classification is not available, house trailers are included with light car trailers. [5]The figures in these columns may vary from the numbers shown for prior years. This results from new information and changes in the estimating procedures. Where data reported by the states were incomplete, estimates were made by the FHA. Truck tractors may include some large trucks used regularly in combination with full trailers. Light trucks includes pickups, panels and delivery vans generally of 10,000 pounds or less gross vehicle weight.

Profile of Establishments

State	Establishments Having Machine Shops	Paint/ Body Supplies	Heavy Duty Parts Supplies	Tires/ Accessories
Ala.	179	203	171	69
Alaska	7	19	17	7
Ariz.	123	97	112	48
Ark.	101	196	161	49
Calif.	836	469	646	228
Colo.	126	124	141	42
Conn.	104	99	100	40
Del.	22	28	17	11
D. of C.	4	2	2	0
Fla.	412	332	405	191
Ga.	214	267	256	85
Hawaii	24	42	23	17
Idaho	58	78	86	16
Ill.	514	518	374	166
Ind.	310	360	263	86
Iowa	195	319	231	86
Kan.	151	194	165	54
Ky.	147	231	149	69
La.	144	152	141	81
Maine	48	94	66	21
Md.	109	124	107	52
Mass.	206	204	160	65
Mich.	430	488	341	150
Minn.	212	259	189	84
Miss.	85	144	113	57
Mo.	273	311	229	93
Mont.	52	94	87	16
Neb.	112	143	109	31
Nev.	21	26	37	23
N.H.	47	79	51	20
N.J.	363	204	197	117
N.M.	53	56	80	32
N.Y.	571	565	466	270
N.C.	233	357	247	127
N.D.	50	69	40	16
Ohio	501	554	381	168
Okla.	126	153	136	58
Ore.	122	113	123	36
Pa.	488	685	433	247
R.I.	27	38	36	8
S.C.	138	175	123	56
S.D.	58	66	40	18
Tenn.	230	262	197	86
Texas	549	553	571	220
Utah	33	49	54	18
Vt.	20	48	27	8
Va.	132	247	208	97
Wash.	216	146	185	64
W. Va.	60	134	92	33
Wis.	252	287	169	87
Wyo.	29	64	53	13
TOTAL	9,519	10,522	8,811	3,739

Influenced by JOBBER TOPICS

Hi-Performance Products	Ignition/ Electrical	Equipment/ Tools	Import Car Parts/ Supplies	Retail Sales	State
201	360	262	295	288	Ala.
17	33	29	27	31	Alaska
71	232	136	194	186	Ariz.
112	282	222	232	221	Ark.
549	1,476	919	1,339	1,224	Calif.
119	280	195	233	231	Colo.
78	217	166	195	182	Conn.
10	47	36	35	32	Del.
2	9	6	9	6	D. of C.
384	832	529	690	644	Fla.
297	496	367	424	370	Ga.
30	71	45	74	67	Hawaii
75	147	97	112	115	Idaho
321	908	641	619	693	Ill.
200	547	386	369	424	Ind.
191	455	322	275	355	Iowa
173	363	265	260	299	Kan.
104	326	239	235	205	Ky.
116	334	223	256	269	La.
40	125	93	91	109	Maine
88	260	178	192	182	Md.
114	417	288	331	321	Mass.
375	734	500	469	663	Mich.
132	346	273	243	264	Minn.
83	227	171	184	192	Miss.
251	540	397	414	445	Mo.
53	125	99	90	91	Mont.
84	209	170	137	172	Neb.
27	61	46	50	49	Nev.
37	106	84	94	85	N.H.
159	529	335	453	418	N.J.
63	125	95	94	89	N.M.
443	1,089	779	850	846	N.Y.
298	619	414	488	393	N.C.
29	98	82	56	73	N.D.
245	858	574	584	685	Ohio
140	326	228	221	270	Okla.
111	217	149	192	171	Ore.
346	1,056	742	740	789	Pa.
19	81	58	66	57	R.I.
153	277	202	246	210	S.C.
33	86	67	55	65	S.D.
196	428	264	351	296	Tenn.
481	1,288	799	945	1,056	Texas
44	108	72	85	87	Utah
22	60	41	51	45	Vt.
202	453	291	361	269	Va.
185	362	223	304	310	Wash.
68	158	120	119	104	W. Va.
142	425	283	261	319	Wis.
49	77	62	62	69	Wyo.
7,763	19,287	13,265	14,755	15,039	TOTAL

Source: JOBBER TOPICS Circulation Files. Note: The sum of column total exceeds JOBBER TOPICS total circulation due to multiple mentions.

Car Production Milestones[1]

1912	1 millionth
1920	10 millionth
1935	50 millionth
1952	100 millionth
1960	150 millionth
1967	200 millionth
1972	250 millionth
1979	300 millionth
1986	350 millionth

Source: Motor Vehicle Manufacturers Assn. of the U.S., Inc., and *Ward's Automotive Reports.* [1]Based upon U.S. total factory sales data.

Truck and Bus Production Milestones[1]

1915	100,000th
1918	500,000th
1920	1 millionth
1929	5 millionth
1938	10 millionth
1953	25 millionth
1971	50 millionth
1979	75 millionth
1988	100 millionth

Source: Motor Vehicle Manufacturers Assn. of the U.S., Inc., and *Ward's Automotive Reports.* [1]Based upon U.S. total factory sales data.

Vehicle Production Milestones[1]

(Cars, Trucks & Buses Combined)

1906	100,000th
1912	1 millionth
1920	10 millionth
1931	50 millionth
1948	100 millionth
1955	150 millionth
1962	200 millionth
1968	250 millionth
1972	300 millionth
1982	400 millionth

Source: Motor Vehicle Manufacturers Assn. of the U.S., Inc., and *Ward's Automotive Reports.* [1]Based upon U.S. total factory sales data.